

DEMAREST BOROUGH

Housing Element & Fair Share Plan



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The original of this report was signed and sealed in accordance with NJSA 45:14A-12

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INTRODUCTION

According to the Fair Housing Act of 1985, a Housing Plan Element must be designed to address the municipal fair share for low and moderate income housing as determined by The New Jersey Council on Affordable Housing (“COAH”), which is charged with determining need and creating the standards by which the Act is carried out.

This is Demarest Borough’s first Housing Element and Fair Share Plan (“HEFSP”) under COAH’s new Third Round methodology for the period 2004 to 2018. Demarest prepared a Housing Plan in 2001, but did not receive substantive certification from COAH. Prior to the March 2001 plan, a builder’s remedy suit was initiated, which resulted in a June 7, 2001 Stipulation of Settlement. The Settlement included four components to satisfy the Borough’s affordable housing obligation at that time.

COAH has substantially redesigned the process that provides affordable housing opportunities in New Jersey municipalities. During the First and Second Rounds, using a predetermined formula, COAH prescribed a specific number of units for which a municipality had to provide a realistic opportunity. The prescribed number was based on housing and employment conditions in the municipality, any remaining prior round unit obligation that was not constructed, or otherwise committed for, and deficient housing units occupied by low and moderate income housing units, known as the rehabilitation share.

The Third Round methodology adopted in June 2008 requires that a municipality’s fair share consist of three elements:

1. Rehabilitation share;
2. Any remaining Prior Round obligation that was not provided for;
3. The Growth Share is determined as follows:
 - For every four market residential units that receive a certificate of occupancy one new affordable housing unit must be created.
 - For every sixteen jobs created upon receipt of certificates of occupancy as a result of non-residential new construction or expansion of existing structures, one affordable unit must be created using COAH formulae relating built non-residential space to number of employees.



MUNICIPAL SUMMARY

The Borough of Demarest is located in Bergen County and has public sewer and water. Demarest Borough is designated on the State Development and Redevelopment Plan as part of the Metropolitan Planning Area. The Borough, which is 2.07 square miles in area, is characterized by predominately single-family homes. Demarest is bordered by Cresskill, Alpine, Closter, Haworth and Dumont.

Between 1990 and 2000, Demarest's population increased to 4,845, up 45 persons since the 1990 Census. Looking into the future, the New Jersey Transportation Planning Authority (NJTPA) projects the Borough to steadily grow in small increments to a total of 5,040 persons in 2020.

As a result of the builder's remedy suit, part of the Alpine Country Club was designated for affordable housing (4 affordable units of the 48 total units). In addition to the four age-restricted units on the Alpine site, the Settlement required the Borough to meet its obligation with the following components:

- 1 rehabilitation unit
- 9 RCAs (Regional Contribution Agreement)
- 10 accessory apartments and accessory apartment ordinance
- Development fee ordinance

The Settlement also included a Vacant Land Inventory that listed sites designated as #6, #21 and #8 with a realistic development potential of 23 affordable units. The balance of the golf course was mandated by the court to deed restrict itself as a golf course. Since the litigation ended in 2001, the 9 RCAs have been purchased and sent to Hoboken and one of the age-restricted units have been built at Alpine Country Club.

For the Third Round, COAH has determined that Demarest has a rehabilitation obligation of 4 units, a 66 unit prior round obligation and a growth share obligation of 48 units. This is a combined total of 118 units. COAH has ignored the Court Stipulation that reduced the Borough's prior round from 66 to a realistic development potential of 23 units. The following chart shows the Borough's COAH components.



DEMAREST BOROUGH: COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
4	66*	193 ÷ 5 38.6	142 ÷ 16 8.9	47.5

* Obligation reduced to 23 units by June 2001 Stipulation of Settlement

Demarest has identified 14 housing credits from existing rehabilitations, RCAs transferred to Hoboken and the Alpine inclusionary development. Strategies to meet the Borough's obligation include the following:

- Market to Affordable Program
- Municipally-Sponsored/100% Affordable
- Group Home

GOAL

It is the overall goal of Demarest's Housing Element and Fair Share Plan, in combination with the Land Use Plan, to provide the planning context in which access to low and moderate income housing can be provided in accordance with the requirements of the Fair Housing Act and the laws of the State of New Jersey.

CONTENT OF HOUSING ELEMENT

The Municipal Land Use Law ("MLUL") requires that "the housing element be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing". A municipal master plan must contain a housing element to give a municipality protection from 'builder's remedy lawsuits' through the COAH process. As per the MLUL, the housing element must contain at least the following items:

1. Minimum requirements contained in N.J.S.A. 52:27D-310:
 - a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to



low and moderate income households and substandard housing capable of being rehabilitated;

- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
 - c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
 - d. An analysis of the existing jobs and employment characteristics of the municipality, and a projection of the probable future jobs and employment characteristics of the municipality
 - e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
 - f. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.
- 2. Household projection in Appendix F(2) of COAH's Third Round Rules
 - 3. Employment projection in Appendix F(2) of COAH's Third Round Rules
 - 4. Prior round obligation in Appendix C of COAH's Third Round Rules
 - 5. Rehabilitation share in Appendix B of COAH's Third Round Rules
 - 6. Projected growth share in accordance with N.J.A.C. 5:97-2.4

Supporting Information to be submitted:

- 7. Copy of most recently adopted municipal zoning ordinance
- 8. Copy of most up to date tax maps



HOUSING ELEMENT

1. HOUSING DEMOGRAPHICS

As of the 2000 census, there were 1,634 total housing units and 33 vacant housing units in Demarest Borough. The majority of the owner-occupied housing stock consists of single-family detached housing. The Borough's housing stock includes single-family detached units and multi-family dwelling units. Single-family detached dwellings totaled 1,580 or 96.7% of the total housing stock. Multi-family units containing 2 or more units in a structure only totaled 54, or 3.3% of the total housing stock. The median of 7.5 rooms per unit is indicative of Demarest Borough's primarily single-family housing stock.

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number	Percent of Total
1, Detached	1,580	96.7%
1, Attached	0	0.0%
2	40	2.4%
3 or 4	14	0.9%
5 to 9	0	0.0%
10 to 19	0	0.0%
20 or more	0	0.0%
Mobile Home	0	0.0%
Other	0	0.0%
Total	1,634	
Vacant Units	33	
Median Rooms Per Unit	7.5	

*Sources: US Census Bureau DP-4 Profile of Selected Housing
DP-1 Profile of General Demographic Characteristics: 2000*

PURCHASE AND RENTAL VALUE OF HOUSING STOCK

Based on the 2000 US Census, Demarest Borough had 1,426 owner occupied units. The largest percentage of which were in the \$300,000 to \$499,999 and the \$200,000 to \$299,999 brackets accounting for 65.7 percent of the total number of units. The median value of owner occupied housing in Demarest Borough was \$360,300 according to the 2000 census.



VALUE OF OWNER OCCUPIED UNITS		
Value	Number of Units	Percent of Total
Less than \$100,000	13	0.9%
\$100,000 to \$149,999	7	0.5%
\$150,000 to \$199,999	34	2.4%
\$200,000 to \$299,999	448	31.4%
\$300,000 to \$499,999	489	34.3%
\$500,000 to \$999,999	306	21.5%
\$1,000,000 or more	129	9.0%
Total Units	1,426	
Median (in dollars)	\$360,300	

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000

According to the 2000 Census, there were 131 renter occupied units in Demarest Borough. Of those units, 32 percent cost less than \$1,499 per month. The median gross rent for Demarest Borough was \$2,000+.

COST OF RENTALS		
Cost	Number of Units	Percent of Total
Less than \$750	0	0.0%
\$750 to \$999	10	7.6%
\$1,000 to \$1,499	32	24.4%
\$1,500 or more	85	64.9%
No cash rent	4	3.1%
Total Units	131	
Median (in dollars)	2,000+	

Source: DP-4. Profile of Selected Housing Characteristics: 2000

CONDITION OF HOUSING STOCK

The Census does not classify housing units as standard or substandard, but it can provide an estimate of substandard housing units that are occupied by low and moderate income households. COAH uses the Census to determine which units are overcrowded with more than one person living per room and dilapidated – lacking complete plumbing and/or kitchen facilities. COAH computes a municipality's rehabilitation share by adding together the number of overcrowded and dilapidated units and then multiplying that sum by the municipality's regional low/moderate-income deterioration share. Subtracted from this result is any rehabilitation share credit.



YEAR STRUCTURE BUILT

COAH's new methodology for calculating rehabilitation has made one significant change from the methods presented in the original Third Round Rules. Housing units built in 1949 or earlier are now flagged instead of units built in 1939 or earlier. Research has demonstrated that units built 50 or more years ago are much more likely to be in substandard condition. Included in the rehabilitation calculation are overcrowded units and dilapidated housing. Overcrowded units are defined by the U.S. Department of Housing and Urban Development as those with more than one person living per room. Finally, COAH includes dilapidated housing – lacking complete plumbing and/or kitchen facilities as reported by the 2000 Census.

Approximately 29.3% of Demarest Borough's housing stock was built before 1950. Units built before 1950 is a factor in COAH's determination of each municipality's rehabilitation share. In Demarest, 478 units were constructed before 1950. COAH has cited an obligation of 4 rehabilitation units for the Borough, reflecting the relatively good condition of these older homes. The years between 1950 and 1959 produced Demarest's largest amount of housing units (486 units).

AGE OF HOUSING STOCK		
Year Built	Total Units	Percent
1939 or earlier	298	18.24%
1940 to 1949	180	11.02%
1950 to 1959	486	29.74%
1960 to 1969	278	17.01%
1970 to 1979	179	10.95%
1980 to 1989	105	6.43%
1990 to 1994	59	3.61%
1995 to 1998	26	1.59%
1999 to March 2000	23	1.41%
Total Units	1,634	

Source: US Census Bureau: DP-4. Profile of Selected Housing Characteristics: 2000

PERSONS PER ROOM

1.01 or more persons per room is an index of overcrowding. The majority of the occupied housing units have 1.00 occupants per room or less. By this measure a total of 40 units may be overcrowded.

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent of Total
1.00 or less	1,561	97.5%
1.01 to 1.50	26	1.6%
1.51 or more	14	0.9%
Total Units	1,601	

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000



PLUMBING FACILITIES

Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing. The 2000 Census indicates that zero units within Demarest Borough lack complete plumbing facilities.

KITCHEN FACILITIES

Inadequate kitchens are indicated by shared use of a kitchen or the lack of a sink with piped water, a stove or a refrigerator. The 2000 Census indicates that zero units within Demarest Borough lack complete kitchen facilities.

CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent of Total
Lack of complete plumbing	0	0.0%
Lack of complete kitchen	0	0.0%
Lack of telephone service	0	0.0%
Lack of adequate heat	0	0.0%
Utility gas	1,474	92.1%
Bottled, tank, or LP gas	20	1.2%
Electricity	22	1.4%
Fuel oil, kerosene, etc.	85	5.3%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	0	0.0%
Other fuel	0	0.0%
No fuel used	0	0.0%
Total Units	1,601	

Source: US Census Bureau DP-4. Profile of Selected Housing Characteristics: 2000

Most of the Census indicators available at the municipal level indicate a sound housing stock. Approximately 2.5% percent of the units are occupied by more than 1 person per room. All majority of housing stock has complete plumbing facilities, telephone service, and kitchen facilities.

Although the majority of the housing stock in Demarest Borough is relatively new, 478 units, or 29.3% of the existing housing units were built prior to 1950. Given this situation, there is the potential for units in Demarest Borough to be eligible for rehabilitation.



2. POPULATION DEMOGRAPHICS

As of 2000, Demarest Borough's population was 4,845, which represents a decrease of 118 persons from the 1980 population level. Population increased by over 0.9% between 1990 and 2000.

POPULATION GROWTH			
Year	Population	Population Change	Percentage change
1980	4,963	---	---
1990	4,800	-163	-3.3%
2000	4,845	45	0.9%

Source: US Census Bureau DP-1. Profile of General Demographic Characteristics: 2000, 1990, & 1980

By 2020, the North Jersey Transportation Planning Authority has projected that Demarest Borough's population will increase to 5,040 or an increase of 190 persons.

PERMANENT POPULATION PROJECTION	
Year	Population
2005	4,850
2010	4,860
2015	4,900
2020	5,040

NJTPA Population Forecast by County and Municipality 2000 - 2030

HOUSEHOLD SIZE & TYPE

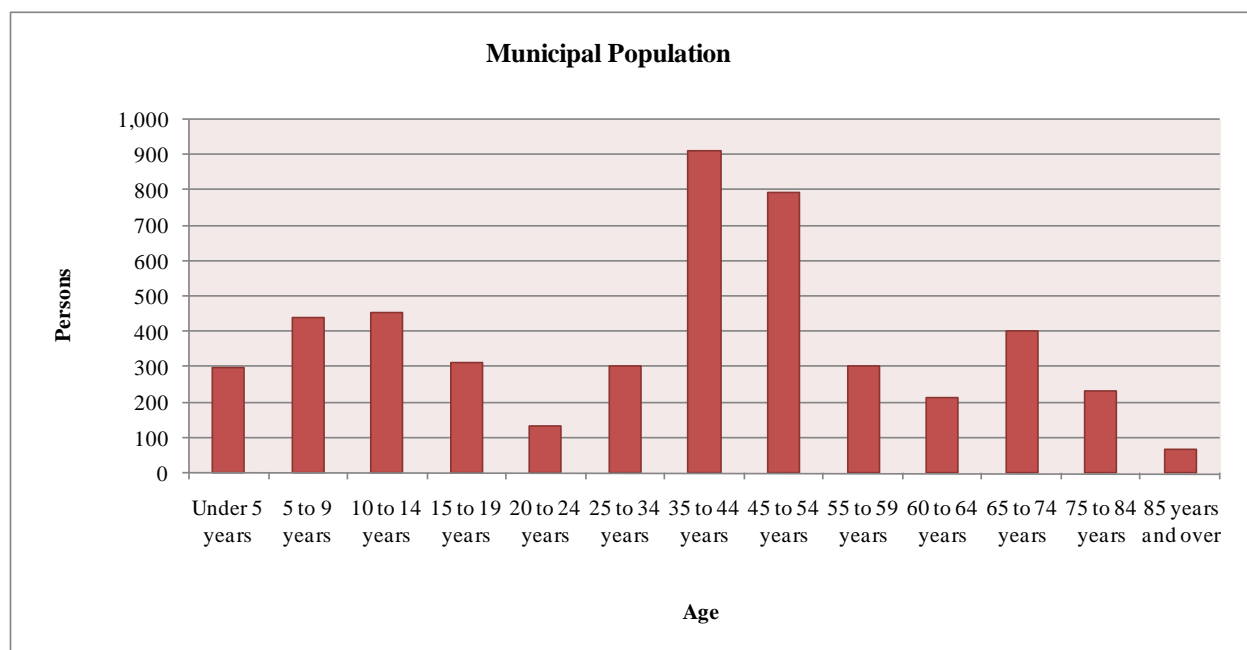
The average household size, according to the Census data, was 3.02 persons. By comparison, the average family size was 3.27 persons. As the following chart shows, 86.6% or 1,387 households were families in 2000. Over 76% of households were married-couple families. Finally, a total of 13.4% of Demarest's households were non-family households.



HOUSEHOLD TYPE		
Type	Number	Percentage
Family Households	1,387	86.60%
Married-couple family	1,220	76.20%
Female householder, no husband present	128	8.00%
Non-Family Households	214	13.40%
Households with individuals under 18 years	752	46.97%
Householdswith individuals 65 years +	487	30.40%
Total	1,601	100.00%

Source: US Census Bureau DP-1, Profile of General Demogrpahic Characteristics: 2000.

In 2000, 30.9% of Demarest's population was 19 years or younger, while 14.4% of the population was 65 years or older. The largest age cohort in the Borough was 35 to 44 year, with 18.8% of the population. The median age in Demarest Borough in 2000 was 41.1 years.



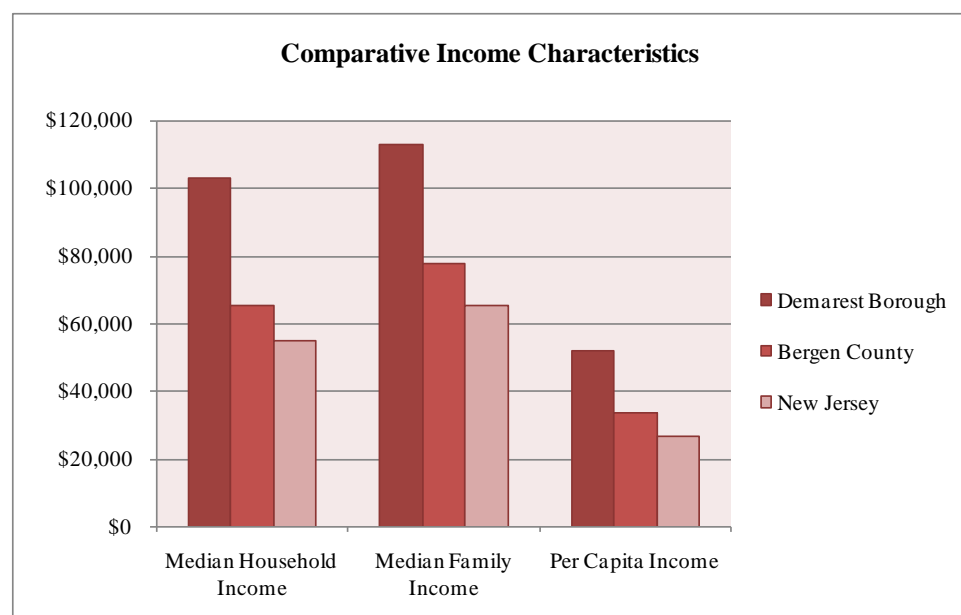
POPULATION BY AGE COHORT		
Age	Total	Percent
Under 5 years	297	6.1%
5 to 9 years	439	9.1%
10 to 14 years	451	9.3%
15 to 19 years	312	6.4%
20 to 24 years	130	2.7%
25 to 34 years	304	6.3%
35 to 44 years	912	18.8%
45 to 54 years	791	16.3%
55 to 59 years	301	6.2%
60 to 64 years	210	4.3%
65 to 74 years	399	8.2%
75 to 84 years	232	4.8%
85 years and over	67	1.4%
Total Population	4,845	

Source: US Census Bureau DP-1. Profile of General Demographic Characteristics: 2000

INCOME AND POVERTY STATUS

The 2000 Census indicates that the median household income in 1999 for Demarest Borough \$103,286. This is higher than both the median household income of Bergen County, which is \$65,241, and the State, which is \$55,146.

Like median household income, per capita income in Demarest Borough is higher than Bergen County, and higher than New Jersey. In 1999, Demarest Borough's per capita income was \$51,939, which is 66% percent more than Bergen



County's per capita income of \$33,638. The State's per capita income was \$27,006, which is 52% less than Demarest Borough's per capita income. Similarly, Demarest Borough's poverty status, as per the 2000 US Census, is significantly less on a percentage basis than that of Bergen County and New Jersey.

INCOME CHARACTERISTICS			
	Demarest Borough	Bergen County	New Jersey
Median Household Income	\$103,286	\$65,241	\$55,146
Median Family Income	\$113,144	\$78,079	\$65,370
Per Capita Income	\$51,939	\$33,638	\$27,006
Poverty Status (Percent of Individuals)	1.6%	5.0%	8.5%
Poverty Status (Percent of Families)	0.9%	3.4%	6.3%

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

The 2000 Census indicates that the greatest percent of Demarest Borough households had an income between \$100,000 and \$149,999 in 1999. A total of 21.8% of Demarest Borough's households were within that income bracket, while the County had 15.5% and the State had 12.8% of their households within the same bracket.

HOUSEHOLD INCOME						
	Demarest Borough		Bergen County		New Jersey	
	Total	Percent	Total	Percent	Total	Percent
Less than \$10,000	42	2.6%	16,418	5.0%	213,939	7.0%
\$10,000 to \$14,999	18	1.1%	12,028	3.6%	143,783	4.7%
\$15,000 to \$24,999	56	3.5%	25,022	7.6%	288,606	9.4%
\$25,000 to \$34,999	71	4.4%	27,776	8.4%	305,449	10.0%
\$35,000 to \$49,999	171	10.7%	43,546	13.2%	437,373	14.3%
\$50,000 to \$74,999	202	12.6%	62,841	19.0%	608,244	19.8%
\$75,000 to \$99,999	207	12.9%	48,612	14.7%	413,928	13.5%
\$100,000 to \$149,999	349	21.8%	51,224	15.5%	391,123	12.8%
\$150,000 to \$199,999	188	11.7%	19,403	5.9%	130,492	4.3%
\$200,000 or more	299	18.7%	24,021	7.3%	132,837	4.3%
Households	1,603		330,891		3,065,774	
Median Household	3.02		2.64		2.68	

Source: US Census Bureau DP-1. Profile of General Demographic Characteristics: 2000;
DP-3. Profile of Selected Economic Characteristics: 2000



3. EMPLOYMENT DEMOGRAPHICS

According to the North Jersey Transportation Planning Organization, as of 2000 there were 680 jobs in Demarest Borough. This increased slightly to 690 jobs in 2005. By 2015, the NJTPO estimates 710 jobs. This represents an additional 20 jobs between 2000 and 2015.

WORKER CLASS

The Census reports on work activity of residents 16 years and older. Of those 16 years and older; 2,267 out of 3,609 were employed in the civilian labor force in 2000. Of these 2,267 people, 1,271 were males and 996 were females. Most of Demarest Borough residents worked in the private sector.

CLASS OF WORKERS		
	Number	Percent
Private wage and salary workers	1,743	80.0%
Government workers	228	10.5%
Self-employed workers	208	9.5%
Unpaid family workers	0	0.0%
Total employed residents	2,179	
Total unemployed residents	88	
Total residents in labor force	2,267	

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

WORKERS BY INDUSTRY

Most Demarest Borough workers are involved in management, professional and related occupations and sales and office occupations. Of the total Demarest Borough workforce, 61.7% have been classified by the 2000 Census as managerial and professional and related occupations, with 23.0 percent in sales and office occupations. A higher percentage of the Demarest Borough workforce was in management and related occupations as compared to the overall County workforce.



EMPLOYED CIVILIAN POPULATION BY OCCUPATION (16 YEARS OF AGE OR OLDER)				
Occupation	Demarest Borough		Bergen County	
	Total	Percent	Total	Percent
Management, professional, and related	1,344	61.7%	187,476	43.1%
Service	186	8.5%	47,431	10.9%
Sales and office	502	23.0%	131,602	30.2%
Farming, fishing, and forestry	0	0.0%	180	0.0%
Construction, extraction, and maintenance	75	3.4%	28,834	6.6%
Production, transportation, and material moving	72	3.3%	39,754	9.1%
Total	2,179		435,277	

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics

New Jersey's Department of Labor and Workforce Development reports on employment and wages within the State. The most recent in-place employment report was completed in 2003. As the data below shows, there were a total of 120 private sector employers within the Borough ranging from construction to health care. These private employers employed over 500 workers. The largest number of employees was the accommodation and food service industry with 40 employees or 4.3% of the total. As the chart shows, a number of industries did not provide information.

IN-PLACE EMPLOYMENT BY INDUSTRY				
Industry	Establishments	Percentage	Employees	Percentage
Construction	12	9.6%	31	3.4%
Wholesale trade	12	9.6%	17	1.8%
Retail trade	5	4.0%	7	0.8%
Transportation and warehousing	-	-	-	-
Information	-	-	-	-
Finance and insurance	-	-	-	-
Real estate and rental and leasing	5	4.0%	9	1.0%
Professional and technical services	18	14.4%	21	2.3%
Management of companies and enterprises	-	-	-	-
Administrative and waste services	-	-	-	-
Educational services	-	-	-	-
Health care and social assistance	8	6.4%	32	3.5%
Arts, entertainment, and recreation	-	-	-	-
Accommodation and food services	4	3.2%	40	4.3%
Other services, except public administration	20	16.0%	35	3.8%
Unclassified entities	11	8.8%	11	1.2%
PRIVATE SECTOR TOTAL	120	96.0%	553	59.9%
FEDERAL GOVT TOTAL	1	0.8%	13	1.4%
LOCAL GOVT TOTAL	4	3.2%	357	38.7%

Source: NJ Department of Labor and Workforce Development, Employment and Wages, 2003 Annual Report

An analysis of the employed Demarest Borough residents (over 16) by economic sector indicates that the majority of Demarest Borough workers were involved in educational, health and social services, followed by finance, insurance, real estate, and rental and leasing.

EMPLOYED CIVILIAN POPULATION BY INDUSTRY (16 YEARS OF AGE OR OLDER)				
Occupation	Demarest Borough		Bergen County	
	Total	Percent	Total	Percent
Agriculture, forestry, etc.	8	0.4%	534	0.1%
Construction	66	3.0%	21,865	5.0%
Manufacturing	205	9.4%	49,443	11.4%
Wholesale trade	138	6.3%	25,175	5.8%
Retail trade	151	6.9%	51,500	11.8%
Transportation and warehousing, and utilities	64	2.9%	23,189	5.3%
Information	76	3.5%	21,823	5.0%
Finance, insurance, real estate, and rental and leasing	322	14.8%	43,673	10.0%
Professional, scientific, management, administrative, and waste management services	317	14.5%	53,231	12.2%
Educational, health and social services	564	25.9%	84,812	19.5%
Arts, entertainment, recreation, accommodation and food services	141	6.5%	25,472	5.9%
Other services (except public administration)	75	3.4%	21,550	5.0%
Public administration	52	2.4%	13,010	3.0%
Total	2,179		435,277	

Source: US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

PLACE OF WORK

Approximately 11.1 percent of Demarest Borough residents work within the Borough, 38.7 percent work outside of the Borough but within Bergen County, 13.6 percent work outside of the County but within New Jersey and 36.6 percent work outside New Jersey. By comparison, 14.6 percent Bergen County workers worked within their municipality of residence, 43.0 percent worked outside their municipality



but within the County, 21.2 percent worked outside Bergen County, and 21.2 percent worked outside of the State. On the whole 19.6% of New Jersey workers worked within their municipality of residence, 35.2% worked outside of their municipality but within the County of residence, 32.8% worked outside of their County but within the State, and 12.4% of workers worked outside of the State.

Additionally, nearly 73.8 percent of commuters (1,596) drive alone to work, and 194 commuters' car pool, which gives a total of 1,790 or 82.8 percent of commuters who are auto dependent residing in Demarest Borough. About 9.9 percent of commuters use public transit and a small number of residents (19) walk to work. Only 5.3 percent (114) Demarest residents work at home.

PLACE OF WORK						
	Demarest Borough		Bergen County		New Jersey	
Employment Area	Total	Percent	Total	Percent	Total	Percent
Worked in state of residence	1,373	63.4%	336,855	78.8%	3,396,785	87.6%
Worked within municipality of residence	240	11.1%	62,362	14.6%	761,684	19.6%
Worked outside of municipality but within county of residence	838	38.7%	183,801	43.0%	1,364,495	35.2%
Worked outside county of residence but within the state	295	13.6%	90,692	21.2%	1,270,606	32.8%
Worked outside state of residence	791	36.6%	90,607	21.2%	479,648	12.4%
Total Employed	2,164		427,462		3,876,433	

Source: US Census Bureau P26. Place of Work for Workers 16 Years and Over--State and County Level and P29 Place of Work for Workers 16 Years and Over--Minor Civil Division Level

TRAVEL TIME TO WORK

The mean commute time among Demarest residents is 37.6 minutes, with 11.2 percent of the population having a travel time of less than 10 minutes. Compared to the mean of 29.7 and 30.0 minutes travel times for Bergen County and the State respectively, Demarest Borough residents spend more commuting time to and from their place of employment than others within the State and County.



COMMUTE TIME						
	Demarest Borough		Bergen County		New Jersey	
Travel Time (in minutes)	Total	Percent	Total	Percent	Total	Percent
Less than 5	34	1.6%	10,988	2.6%	99,241	2.6%
5 to 9	207	9.6%	40,312	9.4%	347,598	9.0%
10 to 14	147	6.8%	52,766	12.3%	482,988	12.5%
15 to 19	181	8.4%	55,574	13.0%	510,571	13.2%
20 to 24	205	9.5%	53,944	12.6%	497,467	12.8%
25 to 29	109	5.0%	22,458	5.3%	210,226	5.4%
30 to 34	159	7.3%	52,120	12.2%	492,539	12.7%
35 to 39	60	2.8%	11,174	2.6%	109,571	2.8%
40 to 44	122	5.6%	17,447	4.1%	156,148	4.0%
45 to 59	252	11.6%	36,692	8.6%	352,609	9.1%
60 to 89	452	20.9%	44,131	10.3%	335,777	8.7%
90 or more	122	5.6%	16,564	3.9%	175,142	4.5%
Did not work at home	2,050	94.7%	414,170	96.9%	3,769,877	97.3%
Worked at home	114	5.3%	13,292	3.1%	106,556	2.7%
Total	2,164		427,462		3,876,433	
Mean travel time	37.6		29.7		30.0	

Source: US Census Bureau P31. Travel Time to Work for Workers 16 Years and Over;
US Census Bureau DP-3. Profile of Selected Economic Characteristics: 2000

4. PROJECTED GROWTH SHARE

MEASURING THE ACTUAL GROWTH SHARE OBLIGATION

“Growth Share” is the affordable housing obligation generated in Demarest by both residential and non-residential development between January 1, 2004 and December 31, 2018. Growth Share is represented by a ratio of one affordable housing unit for every four market-rate units constructed and one affordable housing unit for every 16 new jobs created by non-residential additions or new construction in based on the conversion table located in COAH’s Third Round Rules, Appendix D.



Demarest's actual growth share obligation is composed of two components: residential and non-residential. The actual residential growth share obligation is the total number of market-rate residential certificates of occupancy issued within the Borough between January 1, 2004 and December 31, 2018. For every four market rate residential units issued a certificate of occupancy from January 1, 2004 and later, one additional unit affordable to low and moderate income households must be provided in a manner approved by COAH. Also for every sixteen new jobs added to the municipality after January 1, 2004, one unit affordable to low and moderate income households must be provided. Appendix D of the Third Round Rules provides the ratios for square feet generating one affordable unit and jobs per 1,000 square feet for each use group.

The following chart summarizes the non-residential growth share calculation ratios.

NON-RESIDENTIAL GROWTH SHARE CALCULATIONS			
Use Group	Use Group Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B - Office	Office buildings	5,714	2.8
M - Retail	Buildings that display and sell products, includes retail stores, shops, gas stations	9,412	1.7
F - Industrial	Factories where products are made, processed, or assembled	13,333	1.2
S - Storage	Includes warehouses, lumberyards	16,000	1
H - Hazardous	High hazard manufacturing, processing, generation and storage uses	10,000	1.6
A1 - Assembly	Includes theaters, concert halls, tv studios	10,000	1.6
A2 - Assembly	Includes casinos, night clubs, restaurants	5,000	3.2
A3 - Assembly	Includes libraries, lecture halls, arcades, galleries, funeral parlors, gymnasiums	10,000	1.6
A4 - Assembly	Includes arenas, skating rinks and pools	4,706	3.4
A5 - Assembly	Includes amusement park structures and stadiums	6,154	2.6
I - Institutional	Includes assisted living facilities, hospitals, nursing homes, jails and day care facilities	6,154	2.6
R1 - Hotel	Hotel, motel, dormitories and continuing care retirement communities	9,412	1.7

HOUSING PROJECTIONS

COAH requires each municipality to project the municipality's housing stock growth for the next ten years and include construction permits issued, approvals of applications for development and probably future construction of low and moderate-income housing.

In order to project ahead into the future, the historic trends must be analyzed. Construction data from 1996 until 2003 reveals that Demarest had a net residential growth (excluding demolitions) of 53 units. This averages to 6.6 new units per year. Demolitions are not subtracted from Certificates of Occupancy (Cos) because COAH does not allow them to be deducted because residential demolitions were taken into account when they completed their initial calculations. Demolition data is provided for informational purposes only.

TABLE R-1 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITIONS PERMITS									
	1996	1997	1998	1999	2000	2001	2002	2003	Total
COs Issued	3	9	6	5	10	8	6	6	53
<i>Demolitions</i>	<i>3</i>	<i>3</i>	<i>9</i>	<i>9</i>	<i>5</i>	<i>13</i>	<i>9</i>	<i>8</i>	<i>59</i>

Source: "Housing Units Certified" - New Jersey Department of Community Affairs. <http://www.state.nj.us/dca/codes/cr/conrep.shtm>

Since the beginning of the Third Round, 56 new homes have been constructed in Demarest. Table R-2 shows the certificates of occupancy that occurred since January 1, 2004, which will generate an obligation for the Borough if they were **not** a part of an inclusionary development.

TABLE R-2 ACUTAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS					
	2004	2005	2006	2007	Total
COs Issued	5	15	16	20	56
<i>Demolitions</i>	<i>19</i>	<i>16</i>	<i>10</i>	<i>9</i>	<i>54</i>

Source: "Housing Units Certified" - New Jersey Department of Community Affairs <http://www.state.nj.us/dca/codes/cr/conrep.shtml>

Table R-3 presents residential development activity that is anticipated between 2008 and 2018. This includes approved development applications, pending applications, anticipated residential development and other projected development.



Anticipated and other projected developments are estimated to produce 48 residential units during this ten year period.

TABLE R-3 ANTICIPATED, PENDING & APPROVED RESIDENTIAL DEVELOPMENTS												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Approved Development Applications												
Alpine Country Club - Bellaire Drive	13	15										28
Frick - B 120, L 1.05		4										4
												0
Pending Development Applications												
												0
												0
												0
Anticipated Development Applications												
												0
												0
												0
Other Projected Development												
Other Development Based on Growth Projection Adjustment			2	3	2	2	2	1	2	1	1	16
												0
												0
Total Projected Development	13	19	2	3	2	2	2	1	2	1	1	48

Source: Planning Board Applications list

Table R-4 shows the total residential growth, the sum of both the actual residential development and the projected residential growth from 2004 to 2018. A total of 104 units are estimated for the Borough.

TABLE R-4 TOTAL NET RESIDENTIAL GROWTH (SUM OF ACTUAL & PROJECTED GROWTH)																
	Actual				Projected											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total COs Issued	5	15	16	20	13	19	2	3	2	2	2	1	2	1	1	104

From the total number of residential certificates of occupancy issued in the Borough, the following can be subtracted as per NJAC 5:97-2.4(a)1.i-ii:



- Affordable housing units that received credit in a first or second round certified plan or court of judgment of compliance which have been or are projected to be constructed after January 1, 2004
- Market-rate units in an inclusionary or mixed-use development where these affordable units received credit in a first or second round certified plan or court judgment of compliance, which have been or are projected to be constructed after January 1, 2004, provided these sites are zoned to produce affordable housing units (maximum exclusion of market-rate units from residential growth is 5.67 times the number of affordable units)
- Additional market-rate units resulting from an increase in density for an inclusionary or mixed-use development that are constructed after January 1, 2004, provided the required affordable units are constructed on-site.

Table R-5 shows the inclusionary development at Alpine Country Club that can be excluded from the projections. Between 2008 and 2010, 4 affordable units will be part of the total 38 affordable and market-rate units, of which 4 times the number of affordable units can be excluded from the residential growth share projection. COAH requires that when calculating excluded market-rate units the result be round down (i.e. a result equals 5.6, must be rounded down to 5).

TABLE R-5 AFFORDABLE & MARKET-RATE UNITS IN INCLUSIONARY DEVELOPMENTS TO BE EXCLUDED FROM THE GROWTH SHARE OBLIGATION BY YEAR THAT COS ANTICIPATED TO BE ISSUED																	
	Actual				Projected												Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Affordable Units that Received Credit in a First or Second Round Certified Plan or Court Judgement of Compliance																	
Alpine Country Club					2	2											4
																	0
																	0
Market-rate Units in an Inclusionary or Mixed-Use Development																	
Alpine Country Club					8	8											16
																	0
																	0
Total	0	0	0	0	10	10	0	0	0	0	0	0	0	0	0	0	20

Note: See N.J.A.C. 5:97-2.4(a)1 for detailed requirements that permit units to be excluded from growth share projections.

Source: Demarest Borough Construction Office CO Records

The results of Table R-5 can be subtracted from the actual and projected residential growth to determine the final net growth. The Borough is projected to construct a total of 108 housing units and is



able to shelter 20 of these units that were apart of inclusionary development. This equals a final net growth of 84 housing units for Demarest that will generate a growth share obligation for the Borough.

TABLE R-6 NET RESIDENTIAL GROWTH AFTER SUBTRACTING EXCLUDED UNITS																
	Actual				Projected											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Net Residential Growth	5	15	16	20	13	19	2	3	2	2	2	1	2	1	1	104
Excluded Units	0	0	0	0	10	10	0	0	0	0	0	0	0	0	0	20
Final Net Growth	5	15	16	20	3	9	2	3	2	2	2	1	2	1	1	84

After subtracting these inclusionary affordable units, COAH requires that one affordable unit be built for every four market-rate units actually constructed. To calculate the projected growth share obligation of the potential residential development, COAH states that the municipality shall divide the total by five. If built as projected, the final net residential growth will require the construction of a total of 19.6 affordable housing units.

TABLE R-7 AFFORDABLE HOUSING UNIT GROWTH PROJECTIONS																
	Actual				Projected											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Total Net Growth	5	15	16	20	3	9	2	3	2	2	2	1	2	1	1	77
Divided by 4	1.3	3.8	4.0	5.0												14.0
Divided by 5					0.6	1.8	0.4	0.6	0.4	0.4	0.4	0.2	0.4	0.2	0.2	5.6
Total Affordable Units	1.3	3.8	4.0	5.0	0.6	1.8	0.4	0.6	0.4	0.4	0.4	0.2	0.4	0.2	0.2	19.6

Note: Negative growth projections are not permitted. Total net growth of less than 0 is rounded up to 0.

EMPLOYMENT PROJECTIONS

To project future employment characteristics, the historical trends will be utilized as well as anticipated, pending or approved non-residential applications. New Jersey Construction Reporter data was gathered to illustrate the pace of non-residential development in Demarest since 1996. As Table NR-1 shows the Borough has seen only office development over the past ten years. No demolitions have occurred.



TABLE NR-1 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS ISSUED									
	1996	1997	1998	1999	2000	2001	2002	2003	Total
Certificates of Occupancy Issued									
A1 - Assembly	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	0	0	0	0	0	0
A3 - Assembly	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0
B - Office	0	0	0	3,200	0	0	0	0	3,200
F - Industrial	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0
M - Retail	0	0	0	0	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0	0	0	0
Total New Development	0	0	0	3,200	0	0	0	0	3,200
Demolition Permits Issued									
A1 - Assembly	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	0	0	0	0	0	0
A3 - Assembly	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0
B - Office	0	0	0	0	0	0	0	0	0
F - Industrial	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0
M - Retail	0	0	0	0	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0	0	0	0
Total Demolitions	0	0	0	0	0	0	0	0	0

Source: "Housing Units Certified" - New Jersey Department of Community Affairs. <http://www.state.nj.us/dca/codes/cr/conrep.shtml>

As for the first four years of the Third Round cycle, no new non-residential space or additions have been constructed. In 2005 the Alpine Country Club demolished its club house of 48,000 square feet; this was the only non-residential demolition that has occurred since January 1, 2004.



TABLE NR-2 ACTUAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS ISSUED					
	2004	2005	2006	2007	Total
Certificates of Occupancy Issued					
A1 - Assembly	0	0	0	0	0
A2 - Assembly	0	0	0	0	0
A3 - Assembly	0	0	0	0	0
A4 - Assembly	0	0	0	0	0
A5 - Assembly	0	0	0	0	0
B - Office	0	0	0	0	0
F - Industrial	0	0	0	0	0
H - High Hazard	0	0	0	0	0
I - Institutional	0	0	0	0	0
M - Retail	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0
S - Storage	0	0	0	0	0
Total New Development	0	0	0	0	0
Demolition Permits Issued					
A1 - Assembly	0	0	0	0	0
A2 - Assembly	0	0	0	0	0
A3 - Assembly	0	0	0	0	0
A4 - Assembly	0	0	0	0	0
A5 - Assembly	0	0	0	0	0
B - Office	0	48,000	0	0	48,000
F - Industrial	0	0	0	0	0
H - High Hazard	0	0	0	0	0
I - Institutional	0	0	0	0	0
M - Retail	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0
S - Storage	0	0	0	0	0
Total Demolitions	0	48,000	0	0	48,000

Source: "Housing Units Certified" - NJDCA, <http://www.state.nj.us/dca/codes/cr/conrep.shtml>

Table NR-3 shows the number of jobs that were generated between 1996 and 2003 according to COAH's non-residential job generation formulae contained in Appendix D of the rules. As the table shows, 5 jobs were generated by new non-residential development.



TABLE NR-3 HISTORIC TREND OF CERTIFICATES OF OCCUPANCY & DEMOLITIONS PERMITS ISSUED										
Use Group	Jobs / 1,000 sf	1996	1997	1998	1999	2000	2001	2002	2003	Total
Certificates of Occupancy Issued										
A1 - Assembly	1.6	0	0	0	0	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0	0	0	0	0
B - Office	2.8	0	0	0	5	0	0	0	0	5
F - Industrial	1.2	0	0	0	0	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0	0	0	0	0
S - Storage	1.0	0	0	0	0	0	0	0	0	0
Total New Development		0	0	0	5	0	0	0	0	5
Demolition Permits Issued										
A1 - Assembly	1.6	0	0	0	0	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0	0	0	0	0
B - Office	2.8	0	0	0	0	0	0	0	0	0
F - Industrial	1.2	0	0	0	0	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0	0	0	0	0
S - Storage	1.0	0	0	0	0	0	0	0	0	0
Total Demolitions		0	0	0	0	0	0	0	0	0

Source: Jobs per square foot based on COAH formulae contained in Appendix D

Table NR-4 converts non-residential development that has been constructed between January 1, 2004 and December 31, 2007 to jobs generated per use group. Since there was no new non-residential construction, a total of zero jobs were created. The large B use group demolition results in a negative job growth of 134 jobs for the Borough. COAH allows jobs lost due to demolition to be subtracted from the growth share obligation.



TABLE NR-4 ACTUAL CERTIFICATES OF OCCUPANCY & DEMOLITION PERMITS ISSUED						
Use Group	Jobs / 1,000 sf	2004	2005	2006	2007	Total
Certificates of Occupancy Issued						
A1 - Assembly	1.6	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0
B - Office	2.8	0	0	0	0	0
F - Industrial	1.2	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0
S - Storage	1.0	0	0	0	0	0
Total New Development		0	0	0	0	0
Demolition Permits Issued						
A1 - Assembly	1.6	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0
B - Office	2.8	0	134	0	0	134
F - Industrial	1.2	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0
S - Storage	1.0	0	0	0	0	0
Total Demolitions		0	134	0	0	134

Source: Jobs per square foot based on COAH formulae contained in Appendix D

Table N-R5 is excluded because it is not relevant to Demarest Borough.



Table NR-6 shows the square footage that is anticipated to occur within Demarest between 2008 and 2018 in all use categories. A total of 60,000 square feet of new non-residential development is projected to occur over the ten year period; this is from the construction of Alpine Country Club's new building. No other non-residential space is anticipated due to the lack of non-residentially zoned land within the Borough. The Vacant Land Adjustment and Growth Share Projection Adjustment detail the lack of available land.

TABLE NR-6 NET PROJECTED NEW DEVELOPMENT												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Certificates of Occupancy Issued												
A1 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A3 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
B - Office	60,000	0	0	0	0	0	0	0	0	0	0	60,000
F - Industrial	0	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0	0	0	0
M - Retail	0	0	0	0	0	0	0	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0	0	0	0	0	0	0
Total Development	60,000	0	0	0	0	0	0	0	0	0	0	60,000
Demolition Permits Issued												
A1 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A2 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A3 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	0	0	0	0	0	0	0	0	0	0	0	0
B - Office	0	0	0	0	0	0	0	0	0	0	0	0
F - Industrial	0	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	0	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	0	0	0	0	0	0	0	0	0	0	0	0
M - Retail	0	0	0	0	0	0	0	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0	0	0	0	0	0	0	0
S - Storage	0	0	0	0	0	0	0	0	0	0	0	0
Total Demolitions	0	0	0	0	0	0	0	0	0	0	0	0
Total Projected Net Non-Residential Growth	60,000	0	0	0	0	0	0	0	0	0	0	60,000

Source: Demarest Borough CO Data & Historic Trend Projections

The projected non-residential development between 2008 and 2018 will generate an estimated new 168 jobs. All of the jobs will be generated by the new country club building, as shown in Table NR-7.



TABLE NR-7 NET PROJECTED EMPLOYMENT GROWTH (BY JOBS)													
	Jobs / 1,000 sf	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Certificates of Occupancy Issued													
A1 - Assembly	1.6	0	0	0	0	0	0	0	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0	0	0	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0	0	0	0	0	0	0	0
B - Office	2.8	168	0	0	0	0	0	0	0	0	0	0	168
F - Industrial	1.2	0	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0	0	0	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0	0	0	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0	0	0	0	0	0	0	0
S - Storage	1	0	0	0	0	0	0	0	0	0	0	0	0
Total New Development		168	0	0	0	0	0	0	0	0	0	0	168
Demolition Permits Issued													
A1 - Assembly	1.6	0	0	0	0	0	0	0	0	0	0	0	0
A2 - Assembly	3.2	0	0	0	0	0	0	0	0	0	0	0	0
A3 - Assembly	1.6	0	0	0	0	0	0	0	0	0	0	0	0
A4 - Assembly	3.4	0	0	0	0	0	0	0	0	0	0	0	0
A5 - Assembly	2.6	0	0	0	0	0	0	0	0	0	0	0	0
B - Office	2.8	0	0	0	0	0	0	0	0	0	0	0	0
F - Industrial	1.2	0	0	0	0	0	0	0	0	0	0	0	0
H - High Hazard	1.6	0	0	0	0	0	0	0	0	0	0	0	0
I - Institutional	2.6	0	0	0	0	0	0	0	0	0	0	0	0
M - Retail	1.7	0	0	0	0	0	0	0	0	0	0	0	0
R1 - Dormitory	1.7	0	0	0	0	0	0	0	0	0	0	0	0
S - Storage	1	0	0	0	0	0	0	0	0	0	0	0	0
Total Demolitions		0	0	0	0	0	0	0	0	0	0	0	0
Total Projected Net Employment Growth		168	0	0	0	0	0	0	0	0	0	0	168

Table NR-8 shows the total employment that is forecasted for both actual non-residential development between 2004 and 2007 and projected non-residential development between 2008 and 2018. A total of 33.6 jobs are anticipated for the Third Round cycle, which will require 2.1 affordable housing units (Table NR-9).

TABLE NR-8 TOTAL NET NON-RESIDENTIAL EMPLOYMENT GROWTH (SUM OF ACTUAL & PROJECTED GROWTH)															
	Actual				Projected										Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total New Developments	0.0	0.0	0.0	0.0	168.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	168.0
Total Demolition	0.0	134.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	134.4
Total Net Employment Growth	0.0	-134.4	0.0	0.0	168.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.6



TABLE NR-9 AFFORDABLE HOUSING UNIT OBLIGATION GENERATED BY NON-RESIDENTIAL DEVELOPMENT																	
	Actual				Projected												Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total Net Employment Growth	0.0	-134.4	0.0	0.0	168.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.6	
Divided by 16	0.0	-8.4	0.0	0.0	10.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	

The total projected affordable housing obligation for Demarest is shown in Table T-1. Residential construction will produce a total of 19.6 affordable units. Meanwhile, non-residential development will generate an obligation of only 2.1 affordable units. Combined, residential and non-residential development will generate a total of 21.7 affordable housing units projected for Demarest's entire Third Round growth share.

TABLE T-1 TOTAL PROJECTED AFFORDABLE HOUSING OBLIGATION GENERATED BETWEEN 2004 & 2018																	
	Actual				Projected												Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Total Residential	1.3	3.8	4.0	5.0	0.6	1.8	0.4	0.6	0.4	0.4	0.4	0.2	0.4	0.2	0.2	19.6	
Total Non-Residential	0.0	-8.4	0.0	0.0	10.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	
Total Obligation	1.3	-4.7	4.0	5.0	11.1	1.8	0.4	0.6	0.4	0.4	0.4	0.2	0.4	0.2	0.2	21.7	

5. CAPACITY FOR FAIR SHARE

A determination of Demarest's present and probable fair share for affordable housing, along with the capacity to accommodate those units is required by COAH. As shown in Table T-1, Demarest has generated an obligation of 5.6 affordable housing units between 2004 and 2007. This means that the Borough has a present need of 5.6 affordable units, generated in just the first four years of the Third Round cycle. As for Demarest's future affordable housing share, future residential and non-residential construction in the Borough is projected to generate an obligation of 16.1 affordable housing units for the remainder of the Third Round cycle.

Demarest's capacity to accommodate its present and prospective affordable housing need is determined by three components – land, water and sewer. Note that land development is limited by wetlands, flood plains, easements, parcel size and municipal regulations.

Anticipated land uses include infill and redevelopment within the borough with limited residential, retail and office development. Demarest's economic development policy is to encourage development that



maintains the character of the Borough. Constraints on development typically include steep slopes, streams, rivers and wetlands as well as insufficient lot sizes. Measures to deal with constraints include the continued balance of health and safety with new development proposals.

Because Demarest has limited remaining vacant and developable land, the Borough has an approved Vacant Land Inventory from the Court that documents the lack of available land capacity remaining in the Borough for new development. This inventory was utilized to support a reduction in the Borough's prior round obligation from 66 to 23.

In addition to the Vacant Land Inventory, an adjustment to the third round household and employment growth projections was completed, based on the provisions in NJAC 5:97-5.6. The analysis utilized vacant properties that were not included in the calculation of the realistic development potential (RDP) during the Vacant Land Analysis in order to determine the amount of remaining land available for residential and non-residential growth. A two-phase approach was taken, which began with an initial numerical review to exclude properties that could not accommodate one residential unit at the presumed density of 8 units per acre (0.12 acres) for residentially-zoned parcels. Non-residentially-zone properties had a presumed density of 80 jobs per acre. A visual examination of those remaining vacant properties was then completed to determine suitability for development based on other conditions. The final analysis yielded 8 properties suitable for residential development, and 0 properties suitable for non-residential development. These adjusted housing and employment growth projections were then added back to the actual growth and approved development to adjust the total third round growth share obligation. The result was a reduced obligation of 19 units for the third round obligation.

Water is provided by United Water Company and sewer is provided by Bergen County Utilities Authority.

There are no specific existing structures appropriate for conversion to affordable housing at this time. As for structure suitable for rehabilitation, according to the Census and COAH, there are 4 structures within the Borough. Other than the Alpine inclusionary development, no other developers have expressed an interest in building affordable housing.



CONTENT OF FAIR SHARE PLAN

The following information is required by COAH as part of the Fair Share Plan (N.J.A.C. 5:97-3.2):

1. Description of existing credits intended to satisfy the obligation;
2. Description of any adjustments to any portion of the fair share obligation, which shall include all information and documentation required;
3. Description of mechanisms that will be used to meet the new total obligation;
4. Draft an implementation schedule that sets forth a detailed timetable for units to be provided
 - Documentation for mechanisms to address the prior round obligation, rehabilitation share and growth share obligation up to the first plan review shall be submitted at the time of petition
 - Documentation for zoning for inclusionary development, accessory apartment program, or market to affordable program shall be submitted at the time of petition and implemented within 45 days of certification;
5. If seeking vacant land adjustment or household and employment growth projection adjustment shall submit all the information required, unless:
 - Municipality demonstrates that the mechanisms do not rely upon the availability of vacant land or municipality reserves scarce resources;
6. Include draft and/or adopted ordinances necessary for implementation;
7. Demonstrate that existing zoning or planned changes provide adequate capacity to accommodate affordable housing;
8. Demonstrate existing planned water/waste water treatment capacity is sufficient to accommodate all proposed mechanisms; and
9. Draft a spending plan if the municipality maintains or intends to establish an affordable housing trust fund, which includes:
 - Projection of revenues anticipated from development fees
 - Projection of revenues from other sources
 - Description of administrative mechanism that will be used to collect and distribute revenues
 - Description of use of all affordable housing trust funds
 - Schedule for expenditure of all housing trust funds
 - Schedule for creation or rehabilitation of housing units
 - If supporting or sponsoring public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development
 - Plan to spend trust fund balance as of date of its third round petition within four years of the council's approval of spending plan



- Method through which the municipality will address any expected or unexpected shortfall if revenues aren't sufficient
- Description of anticipated use of excess affordable housing trust funds.

In adopting its housing element, a municipality may provide for its fair share of low and moderate income housing by means of any technique or combination of techniques which provide a realistic opportunity for the provision of the fair share. These potential techniques include but are not limited to:

- Rehabilitation of existing substandard housing units;
- ECHO units;
- Zoning for inclusionary development;
- Redevelopment;
- Municipally-sponsored and 100% affordable developments;
- Accessory apartment program;
- Market to affordable program (formally referred to as a buy down program);
- Supportive and special needs housing;
- Assisted living residences;
- Utilization of funds generated by development fees on new construction to build affordable units;
- Other innovative strategies.

FAIR SHARE PLAN

1. FAIR SHARE OBLIGATION

REGIONAL INCOME LIMITS

Dwelling units are affordable to low and moderate income households if the maximum sales price or rental cost is within their ability to pay such costs, based on a specific formula. COAH provides income limits based upon the median gross household income of the COAH housing region in which the household is located. A moderate income household is one with a gross household income equal to or more than 50%, but less than 80%, of the median gross regional household income. A low-income household is one with a gross household income equal to 50% or less of the median gross regional



household income. Demarest Borough is located in Region 1 which contains Bergen, Hudson, Passaic and Sussex Counties.

Using the 2008 weighted regional income limits adopted by COAH, a four-person Region 1 median household income is estimated at \$77,072. A moderate-income four-person household could earn a maximum of \$61,658 (80% of regional median) and a four person low-income household could earn a maximum of \$38,536 (50% of regional median). Income levels for one to five person households as of 2008 are given below.

2008 REGIONAL INCOME LIMITS FOR REGION 1 MUNICIPALITIES					
	1 person	2 person	3 person	4 person	5 person
Median	\$53,950	\$61,658	\$69,365	\$77,072	\$83,238
Moderate	\$43,160	\$49,326	\$55,692	\$61,658	\$66,590
Low	\$26,975	\$30,829	\$34,682	\$38,536	\$41,619

Source: COAH, <http://www.nj.gov/dca/coah/incomelimits.pdf>

COAH REQUIREMENTS

COAH has specific requirements on unit size distribution, affordable unit sales price and rental costs, bedroom mix among other regulations which are provided in N.J.A.C. 5:80-26.1 et seq. In each affordable development, at least 50% of the restricted units within each bedroom distribution must be low income and the remainder moderate income. For affordable developments that are not age-restricted, not more than 20% of the units may be efficiency or one-bedroom units, and at least 30% shall be two-bedroom units, and at least 20% shall be three-bedroom units. Age-restricted affordable units can provide a modified bedroom distribution.

The monthly cost of owner occupied units, which includes mortgage (principal and interest), taxes, insurance and homeowner's or condominium association fees, may not exceed 28 percent of gross monthly household income. In addition, moderate-income sales units must be available for at least three different prices and low-income sales units available for at least two different prices for each bedroom type.



Under COAH regulations, rents may not exceed 30 percent of the eligible monthly income of the appropriate household size. The maximum average rent must be affordable to households earning not more than 60 percent of median income; the average rent for low and moderate income units must be affordable to households earning no more than 52% of median income. There must be rents established for each bedroom type having both low and moderate income units provided that 10 percent must be affordable to families earning no more than 35 percent of median income.

2. ADJUSTMENTS

VACANT LAND INVENTORY ANALYSIS & GROWTH PROJECTION ADJUSTMENT

As a part of the 2001 Stipulation of Settlement, the Court reduced Demarest's prior round obligation from 66 units to a 23 unit realistic development potential. The realistic development potential was determined by the court to include the following properties:

1. Site #6 located at Block 65, Lots 146-149 – 0.54 acres, yielding 1 affordable unit
2. Site #21 located at Block 83.06, Lots 1-19; Block 83.01, Lots 36-43 and 67-69; Block 66, Lots 56-60 – 2.47 acres, yielding 2 affordable units
3. Plaintiff's Parcel at Block 120, part of Lots 11.02, 12.02, 13 and 16; yielding 10 affordable units
4. Site #8 located at Block 119, Lots 1.05-1.07 and Block 120, Lots 1.03-1.05, yielding 10 affordable units

Since the 2001 settlement, Site #6 was developed with one house in 2004, Site #21 was encumbered by Green Acres applications and Block 120, Lot 1.05 of Site #8 has received approved for a subdivision. Although the amount of land has been reduced, the Borough intends to meet the Court mandated realistic development potential of 23 units. The Court stated that Demarest would meet the obligation with the following mechanisms:

- Accessory Apartment Ordinance – 10 units
- Development Fee Ordinance - \$346,619
- 4 affordable units at the Alpine inclusionary site
- 9 Regional Contribution Agreements (RCAs)

In addition to the Court-specified realistic development potential for the prior round, an analysis to determine the amount of remaining land available for residential and non-residential growth to address the growth share obligation and adjust it accordingly was completed. Similar to a Vacant Land Adjustment analysis, a two-phase approach was taken, beginning with an initial numerical review to



exclude properties that could not accommodate one residential unit at the presumed density of 8 units per acre (or 0.12 acres) or a minimum of 5,227 square feet of developable lot area. Properties were assigned residential or non-residential densities based on COAH's rules of 8 residential units per acre for residentially-zone properties and 80 jobs per acre for non-residentially-zoned properties. A visual examination of those remaining properties was then completed to determine suitability for development based on other conditions – lot configuration, environmental constraints, etc. – based on COAH's rules in 5:97-5.2(d)1-7. The final analysis yielded 8 properties suitable for residential development, containing a total of 2.11 acres of developable uplands, and 0 properties suitable for non-residential development. These adjusted housing and employment growth projections were then added back to the actual growth and approved development to adjust the total third round growth share obligation downward. The results of the Court-specified realistic development potential and Growth Projection Adjustment are shown in the chart below.

DEMAREST BOROUGH: UNADJUSTED COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
4	66*	193 ÷ 5 38.6	142 ÷ 16 8.9	47.5
DEMAREST BOROUGH: ADJUSTED COAH OBLIGATION				
Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
4	23 RDP	85 ÷ 5 17	33.6 ÷ 16 2.1	19.1

* Obligation reduced to 23 units by June 2001 Stipulation of Settlement

ADJUSTED OBLIGATION

Demarest has been assigned a rehabilitation share of 4 units. The Borough must insure a source of funding for the rehabilitation of 4 units. As for the prior round, the obligation of 66 was reduced by the Stipulation of Settlement to a realistic development potential of 23 units. Although the 2001 Settlement reduced the prior round obligation to 23 units and granted a vacant land adjustment, the unmet need (difference between the 66 and 23) still remains and has to be met. Finally, the growth share obligation has been reduced from 48 units to 19 units utilizing the Growth Share Adjustment process. This is a total obligation of 46 units.

The three components must address the following:

Rehabilitation obligation: 4

COAH determined Demarest's share for rehabilitation units to be 4 homes. This number was calculated by COAH utilizing 2000 Census characteristics that included over-crowded units, older housing units built before 1949 and units with incomplete plumbing facilities or kitchen facilities.

Prior Round: 23 RDP

Demarest has a prior round obligation of 23 units to address in this plan. There are minimum and maximum requirements regarding the development of rentals and age-restricted units for the prior round obligation, which are listed below:

Minimum rental requirement = 25% (RDP) = 6

Maximum age-restricted = 25% (RDP – Transferred RCA Units) and 25% (Unmet Need – Transferred RCA Units) = 3.5 and 8.5

Maximum RCA = 50% (RDP + Rehabilitation Share – Rehabilitation Credits) and 50% (Unmet Need) = 13 and 21.5

Maximum bonus credits = Rental Requirement = 6

Third Round: 19 units

Demarest must plan for a growth share or third round obligation of 19 units. COAH's rules require that 50% of the growth share obligation (GSO) be family housing units, not restricted to any age or group. Additionally, there are other requirements regarding the development of affordable units that are as follows:

Minimum family units = 50% (GSO) = 10 (round up)

Minimum rental requirement = 25% (GSO) = 5 (round up)

Minimum family rental units = 50% (Minimum rental requirement) = 3 (round up)

Maximum age-restricted = 25% (GSO – Transferred RCA Units Addressing GSO) = 4 (round down)

Maximum bonus credits = 25% (GSO) = 4 (round down)



3. EXISTING CREDITS

Demarest has a total of 14 existing credits from one existing rehabilitation, RCAs transferred to Hoboken and the Alpine Country Club inclusionary development.

REHABILITATION CREDITS (1)

The Bergen County Home Rehabilitation Program provides loans for repairs to low-income homes. The program provides loans up to \$17,500 for a single family home at a rate of 3%. A lien is placed on the home until it is sold. One home was completed in 2002 through the program with over \$15,000 spent on bringing it up to code.

PRIOR ROUND CREDITS (13)

As a part of the Stipulation of Settlement, dated June 2001, Alpine Country Club located on Bellaire Drive, had to provide 4 affordable age-restricted units in their inclusionary development. The development is under construction and one affordable unit has received a certificate of occupancy. The remainder of the units are anticipated to be COed in 2008 and 2009. In addition to providing the on-site units, the Settlement required the developers to provide \$225,000 to transfer 9 RCA units to Hoboken. These units were transferred in 2002.

THIRD ROUND CREDITS (0)

Currently there are no third round credits in Demarest.

4. POTENTIAL MECHANISMS

REHABILITATION MECHANISMS

Demarest will continue to utilize and begin to advertise the existing Bergen County Housing Rehabilitation Program. If the three remaining rehabilitation units are not completed through the County program Demarest will create a Borough-sponsored rehabilitation program that would utilize development fee funds and/or grant money to complete the outstanding rehabilitation obligation.



PRIOR ROUND MECHANISMS

1. Accessory Apartment Program

The creation of an Accessory Apartment Program was a part of the Court Stipulation of Settlement. Demarest must create and implement an ordinance to permit a maximum of 10 accessory apartments for affordable housing. The Borough will provide a minimum of \$20,000 per unit to subsidize a moderate-income apartment or \$25,000 per unit to subsidize a low-income unit. If the accessory apartments are family rentals, deed restricted for at least 10 years, they would be eligible for a maximum of 5 bonus credits. Therefore, Demarest will have to subsidize the creation of at least 5 real apartments and receive 5 credits and 5 bonuses for a total of **10** credits.

2. Development Fee Ordinance

The Borough's development fee ordinance began in January of 2007 and has an existing balance of \$346,619 as of November 24, 2008. The Borough will amend its Development Fee Ordinance to meet the new requirements contained in P.L. 2008, c. 46 and increase its residential fee. The collected fees will be used as stated in the Spending Plan.

THIRD ROUND MECHANISMS

To meet the 19 unit third round obligation, Demarest plans to utilize the following three mechanisms.

1. Municipally-Sponsored/100% Affordable

Demarest owns property at 127 Hardenburg Avenue, which contains 0.38 acres. Block 23, Lot 13 will be utilized to create at least 8 affordable apartments. Demarest will seek out a partner to work with to build the proposed affordable units. All units will be family rental units and will yield 8 credits and 4 bonuses for a total of **12** credits. (See attached location map and concept plan.)

2. Market to Affordable Program

Demarest is proposing to create a market to affordable program, which would take advantage of the existing rental market within the Borough. The 2000 Census reported that Demarest contained 131 rental units with a median rent of \$2,000. Less than 8% of the rental stock rented for less than \$1,000 a month. COAH permits a gross rent of \$867 for a one bedroom moderate unit (at 60% median income) and \$1,040 for a two bedroom moderate unit.



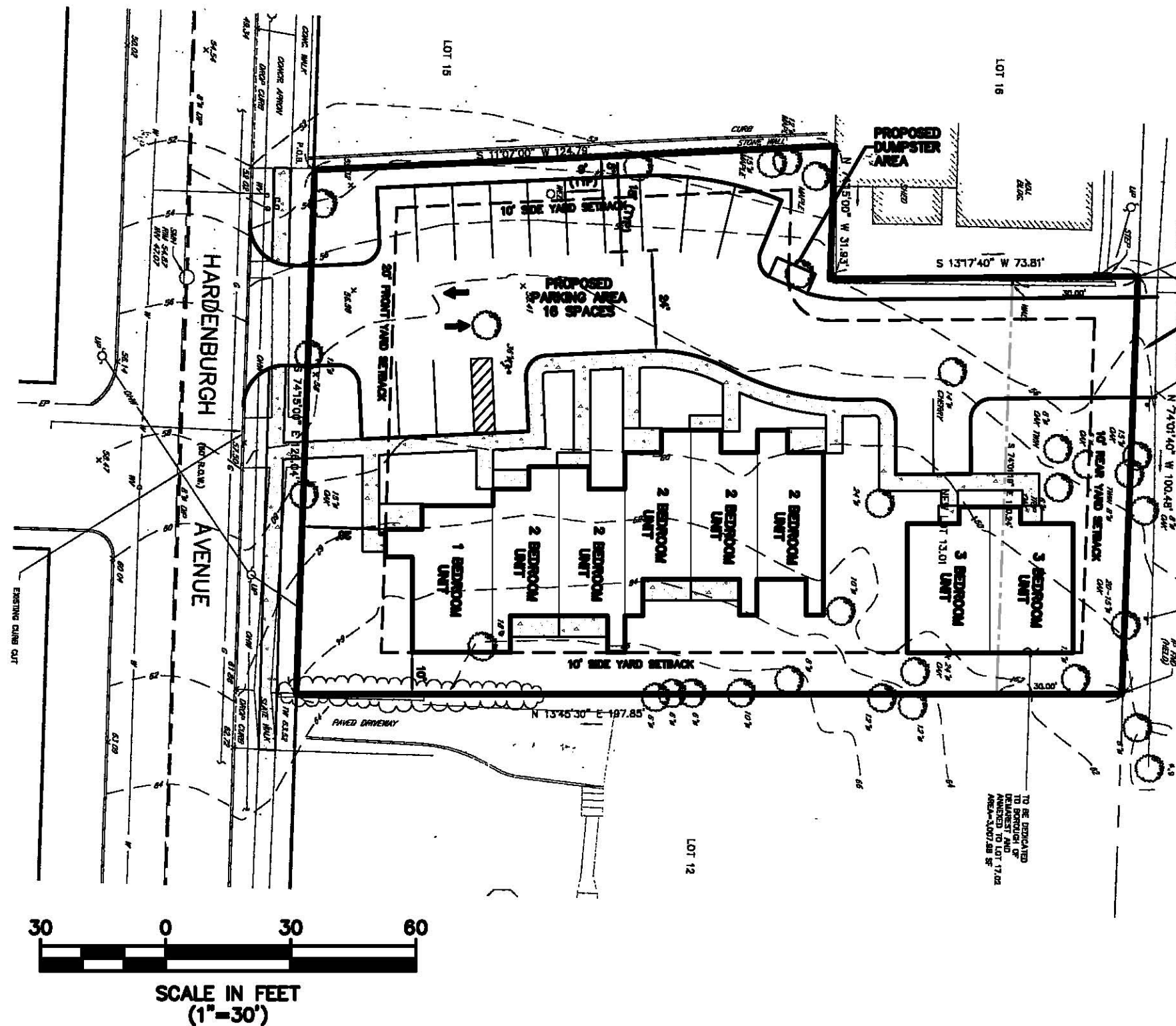
Demarest will subsidize each low-income unit converted with a minimum of \$30,000 and each moderate-income unit with at least \$25,000. The units must have a deed restriction of at least 30 years. Demarest proposes to convert at least 3 rental units within the Borough. One of the converted units must be a family rental; the other two could be age-restricted rentals. This mechanism would yield **3** credits.

3. Supportive and Special Needs Housing

The Borough welcomes new facilities to locate within its borders. Demarest is willing to work with group home providers to find properties and work with them to build homes or convert existing houses to meet their needs. The Borough plans to reach out to existing supportive and special needs providers and work with them to create a group home within the municipality. This mechanism is anticipated to yield at least **4** credits, one for each bedroom created.

PRIOR ROUND CREDITS				
Facility	Type	Credits	Bonuses	Total
Alpine	Age-restricted	4	-	4
Alpine: RCA	RCA	9	-	9
Accessory Apartments	Family Rental	5	5	10
TOTAL		18	5	23

THIRD ROUND CREDITS				
Facility	Type	Credits	Bonuses	Total
Municipally-Sponsored/100% Affordable	Family Rental	8	4	12
Market to Affordable	Family/Age-restricted Rental	3	-	3
Group Home	Supportive/Special	4	-	4
TOTAL		15	4	19



PROPOSED PROJECT DATA

FRONT YARD	20 FT
SIDE YARD	10 FT
REAR YARD	10 FT

PROJECT DATA:

MULTI-FAMILY AFFORDABLE DWELLING = 8 UNITS

1 - 1 BEDROOM UNIT

5 - 2 BEDROOM UNITS

2 - 3 BEDROOM UNITS

PARKING @ 2 SPACES/UNIT = 16 PARKING SPACES

STORMWATER MANAGEMENT TO BE ADDRESSED THROUGH UNDERGROUND SYSTEM.

BOUNDARY, TOPOGRAPHIC AND EXISTING CONDITIONS INFORMATION SHOWN HEREON TAKEN FROM PLAN PREPARED BY HUBSCHMAN ENGINEERING PA DATED 07/03/2002.

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8 UNIT CONCEPT PLAN FOR 127 HARDENBURGH AVENUE LOT 13, BLOCK 23

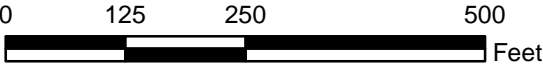
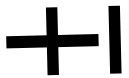
BOROUGH OF DEMAREST BERGEN COUNTY NEW JERSEY

JOB NUMBER: DEB-002	DATE: NOV. 19, 2008
SCALE: 1"=30'	LATEST REVISION:
INDEX NUMBER:	DESIGN BY: M.L.R.
SHEET NUMBER: 1 of 1	

**MUNICIPALLY-SPONSORED
100% AFFORDABLE SITE
127 HARDENBURG AVE**



BOROUGH OF DEMAREST
BERGEN COUNTY,
NEW JERSEY

NOVEMBER 2008



1 inch equals 200 feet

Legend

-  127 Hardenburg Ave
-  Parcels

THIS MAP WAS DEVELOPED USING NJ DEP
DIGITAL DATA. THIS SECONDARY PRODUCT
HAS NOT BEEN VERIFIED AND IS NOT
COUNTY OR STATE AUTHORIZED.



5. IMPLEMENTATION SCHEDULE

IMPLEMENTATION SCHEDULE											
Mechanism	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Alpine Inclusionary											
Construction/CO											
Accessory Apartment Program											
Advertise Program											
Construction/Conversion of Apartments											
Development Fees											
Municipally-Sponsored/100% Affordable											
RFP Process/Select developer											
Obtain development approvals/Select contractor											
Building Permits											
Construction											
Occupancy											
Market to Affordable Program											
Hold information seminars											
Advertise program/solicit property owners											
Convert units											
Supportive/Special Needs											
Find site											
RFP Process/Select developer or partner											
Obtain development approvals/Select contractor											
Building Permits											
Construction											
Occupancy											
Potential Rehabilitaiton Program											
Potential Rehabilitaiton Program											

6. SPENDING PLAN

Demarest will amend its Development Fee Ordinance to reflect the new legislation and continue to capture funds that will used to support its affordable housing obligations. These funds will be used for the following purposes:



- Provide affordability assistance – minimum 30%
 - Funds will be used for rent subsidies and the creation or conversion of existing affordable units to very low-income units to meet very low-income requirements
- Administration – maximum 20%
- Potential Rehabilitation Program
- Accessory Apartment Program
- Market to Affordable Program
- Group Home Facility
- Municipally-sponsored/100% Development

Based upon the projected development activity, Demarest expects to collect roughly \$276,318 from development fees between November 2008 and December 31, 2018. This number is based on 2008 dollars and the following assumptions:

- Residential fees at 1.5% the equalized assessed value (EAV), assuming the average house value of \$690,796 from the Tax Assessor
- Non-residential fees at 2.5% the EAV, based on average square footage assessment rates in, based on 2008 values (no non-residential development is anticipated at this time)

The following table shows the projected development and fees anticipated to be generated.

DEVELOPMENT FEES												
Development	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Residential	0	0	2	3	2	2	2	1	2	1	1	16
Assessed Value	0	0	\$1,381,592	\$2,072,388	\$1,381,592	\$1,381,592	\$1,381,592	\$690,796	\$1,381,592	\$690,796	\$690,796	
Fee	\$0	\$0	\$34,540	\$51,810	\$34,540	\$34,540	\$34,540	\$17,270	\$34,540	\$17,270	\$17,270	\$276,318

These future development fees can be added to the existing trust fund, which contains \$346,619 as of November 24, 2008. Additionally, a payment-in-lieu of \$125,000 remains to be paid from Alpine. This payment-in-lieu is to be used as a subsidy for the creation of accessory apartments within the Borough. The detailed Spending Plan can be found in the Appendix.

APPENDIX

1. Vacant Land Inventory & Growth Share Projection Adjustment Report
2. Rehabilitation Documentation
3. Draft Amended Development Fee Ordinance
4. Draft Affordable Housing Trust Fund Spending Plan
5. Draft Affordable Housing Ordinance
6. Draft Affirmative Marketing Plan



DEMAREST BOROUGH

Vacant Land Inventory & Growth Projection Adjustment



December 2008



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VACANT LAND INVENTORY

INTRODUCTION

The Borough of Demarest contains approximately 2 square miles (1,310 acres) of land area in Bergen County. Demarest is almost totally developed with very few remaining lands, which are vacant and developable. The Borough is seeking a new vacant land adjustment, pursuant to N.J.A.C. 5:94-5.2, the New Jersey Council on Affordable Housing (“COAH”) Revised Substantive Rules (“COAH’s Revised Rules”). This Vacant Land Inventory is prepared in order to document the lack of available land capacity in Demarest, which is then the basis needed to perform a Growth Share Projection Adjustment. COAH’s rules permit an adjustment of the household and employment growth projections in 5:97-2.2(d) – “a municipality with insufficient vacant land may request an adjustment to the projections in Appendix F(2) pursuant to N.J.A.C. 5:97-5.6”.

As required by COAH’s Revised Rules, the Vacant Land Inventory includes the block, lot, address, owner’s name, current zone, total lot acreage, total acreage suitable for development (uplands acreage) and total acreage unsuitable for development (constrained acreage) for each property. Note that the entire Borough is within Planning Area 1 – metropolitan and has sewer service. **Note that Demarest is not seeking a Vacant Land Inventory as per COAH’s rules, it utilizing the 2001 Court Stipulation of Settlement ruling on lands that are vacant – the Vacant Land Inventory has been completed to set the stage to complete the Growth Share Projection Adjustment analysis.**

In addition to the inventory of vacant and developable sites, the Appendix of this report includes the following:

- Vacant and Developable Lands Map showing the identified properties that are vacant and suitable for development.
- Existing Land Use Map showing the existing land uses of Demarest Borough, displayed by the following classifications: single-family residential, two- and three-family residential, townhouse (multi-family) residential, mobile home parks, commercial, industrial, vacant, public property, schools, community facilities, and semi-public properties.



PROPERTIES EXCLUDED FROM THE VACANT LAND INVENTORY

As provided by N.J.A.C. 5:97-5.2(d), lands meeting certain specified criteria may be excluded from the inventory. The criteria by which properties in Demarest were excluded include the following:

1. Properties owned by a local government entity that are utilized for a public purpose other than housing;
2. Vacant non-contiguous parcels which could not accommodate at least 5 dwelling units at a minimum density of 6 units per acre (less than 0.84 acres);
3. Environmentally sensitive lands containing inland wetlands or flood hazard areas, which limit the contiguous developable uplands to less than 0.84 acres and/or properties with sufficient developable uplands area to accommodate 5 units at a minimum density of 6 units per acre (greater than 0.84 acre) but, due to unique lotting arrangement or location, are unsuitable for residential development;
4. Active recreational lands and
5. Conservation, parklands and open space (passive recreation) lands.

1. Lots Utilized for a Public Purpose other than Housing

The following properties have been identified as being owned by a local government entity and are utilized for a public purpose other than housing:

PUBLIC PURPOSE OTHER THAN HOUSING

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS	USE
6	346	Stewart St	Borough of Demarest	D	0.05 ac	0.00 ac	0.05 ac	LLE School
35	76	Columbus Rd	Borough of Demarest	D	0.06 ac	0.00 ac	0.06 ac	NURHS
23	23	118 Serpentine Rd	Borough of Demarest	D	0.36 ac	0.00 ac	0.36 ac	Municipal Bldg
49	41.03	Wakelee Dr	Borough of Demarest	B	0.77 ac	0.00 ac	0.77 ac	DPW
49.01	42	Wakelee Dr	Borough of Demarest	Bus	2.36 ac	0.84 ac	1.52 ac	DPW, Ambulance
49.01	47.02	Wakelee Dr	Borough of Demarest	Bus	0.09 ac	0.00 ac	0.09 ac	Parking @ Post Office
23	17.02	118 Serpentine Rd	Borough of Demarest	D	0.98 ac	0.00 ac	0.98 ac	Municipal Bldg
8	498	Columbus Rd	Borough of Demarest	D	0.09 ac	0.00 ac	0.09 ac	LLE School
23	18	23 Park St	Borough of Demarest	D	0.42 ac	0.00 ac	0.42 ac	Fire House
17.04	1.01	Park St	Borough of Demarest	D	0.07 ac	0.00 ac	0.07 ac	Parking Lot
TOTAL					5.25 ac	0.00 ac	0.11 ac	



2. Undersized Non-Contiguous Vacant Properties

The following properties have been identified as vacant non-contiguous publicly or privately owned parcels which do not contain sufficient developable uplands to accommodate at least 5 dwelling units at a minimum density of 6 units per acre (less than 0.84 acres), but are greater than .13 acres, which can be excluded as per 5:97-5.6(c) for the growth share adjustment procedures. These 8 properties total 2.12 upland acres.

UNDERSIZED NON-CONTIGUOUS VACANT PROPERTIES

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS
50	27	Piermont Rd	Borough of Demarest	D	0.20 ac	0.02 ac	0.18 ac
1.04	12	48 Mountain View Rd	Breslin, Julian & Leslie	D	0.17 ac	0.00 ac	0.17 ac
19	1	County Rd	Wiggers, Donald & Gary	B	0.82 ac	0.59 ac	0.23 ac
80	4.01	Hardenburgh Ave	Silver, Stephen	C	0.20 ac	0.00 ac	0.20 ac
7	459	Columbus Rd	Emerson, Genevah	D	0.18 ac	0.00 ac	0.18 ac
23	13	127 Hardenburgh Ave	Adams, Edmond & Richard	D	0.38 ac	0.00 ac	0.38 ac
80	4.02	324 Hardenburgh Ave	Vellekamp, Donna	C	0.25 ac	0.00 ac	0.25 ac
61	170	Chestnut St	Vanvors, Clifton & Dorthy	B	0.52 ac	0.00 ac	0.52 ac
TOTAL					2.73 ac	0.61 ac	2.12 ac

3. Environmentally Sensitive Lands

In addition, the following properties have been identified as environmentally sensitive lands containing inland wetlands or flood hazard areas, which limit the contiguous developable uplands to less than 0.84 acres or and/or properties with sufficient developable uplands area to accommodate 5 units at a minimum density of 6 units per acre (greater than 0.84 acre) but, due to unique lotting arrangement or location, are unsuitable for residential development. Constraints include wetland, steep slopes, lot shape, lot location, etc.



UNDERSIZED OR CONSTRAINED PROPERTIES THAT ARE EXCLUDED

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS	CONSTRAINT
1.08	13	345 Brookside Ave	Sungwood USA Corp	D	0.06 ac	0.00 ac	0.06 ac	undersized
1.08	10	150 Heather Hill Rd	Vacco, Vincent & Gina	D	0.04 ac	0.00 ac	0.04 ac	undersized
40.01	13.01	191 Knickerbocker Rd	Amatrula, Mario & Etal	B	0.11 ac	0.00 ac	0.11 ac	undersized
2	1	12 Hardenburgh Ave	Hoagland, David & Kim	D	0.05 ac	0.00 ac	0.05 ac	undersized
22	941	Spring Ln	Luberti, Elore	D	0.08 ac	0.00 ac	0.08 ac	undersized
15	888	26 Stelfox St	Kinlin, James & Rosemary	D	0.09 ac	0.00 ac	0.09 ac	undersized
17.07	28	Brookside Ave	Merzel, Michael & Ronena	D	0.04 ac	0.00 ac	0.04 ac	undersized
17.07	29	Brookside Ave	Dersarkissian, George	D	0.02 ac	0.00 ac	0.02 ac	undersized
1.04	17	149 Heather Hill Rd	Shmuel, Adam & Dorit	D	0.04 ac	0.00 ac	0.04 ac	undersized
1.03	12	35 Mountain View Rd	Montalbo, Elmer & Charito	D	0.04 ac	0.00 ac	0.04 ac	undersized
124	1	72 Glenwood Ave	Wright, Karen	D	0.11 ac	0.00 ac	0.11 ac	undersized
23	8	Hardenburg Ave	Hamilton, Joel	D	0.10 ac	0.00 ac	0.10 ac	undersized
6	277	37 Hardenburg Ave	Simpson, Peter	D	0.05 ac	0.00 ac	0.05 ac	undersized
54	5	28 Meadow	Goodwin, John	D	0.12 ac	0.00 ac	0.12 ac	undersized
118	4.02	Anderson Ave	Abad, George & Irene	A	0.23 ac	0.00 ac	0.23 ac	width of 21'
86.01	11.02	291 Hardenburg Ave	Young, Tony & Christine	C	0.15 ac	0.00 ac	0.15 ac	landlocked
82.01	13	47 Forest	Pster, Gregg & Risa	D	0.07 ac	0.00 ac	0.07 ac	undersized
22	926	52 Scafon	Coy, Peter	D	0.03 ac	0.00 ac	0.03 ac	undersized
17.02	3.01	N/A	N/A	D	0.06 ac	0.00 ac	0.06 ac	undersized
86.01	12.01	291 Hardenburg Ave	N/A	D	0.09 ac	0.00 ac	0.09 ac	landlocked
161	3	46 Demarest	Turitz, Richard	D	0.06 ac	0.00 ac	0.06 ac	undersized
124	3	N/A	N/A	D	0.04 ac	0.00 ac	0.04 ac	undersized
124	2	N/A	N/A	D	0.04 ac	0.00 ac	0.04 ac	undersized
50	5	Piermont Road	Borough of Demarest	D	1.25 ac	1.02 ac	0.23 ac	wetlands/landlocked
TOTAL					2.96 ac	1.02 ac	1.94 ac	

4. Active Recreation

According to N.J.A.C. 5:94-5.2(d)(6-7), the Borough may reserve up to 3 percent of the total developed and developable acreage (acreage of lands not constrained by inland wetlands or flood hazard areas) for active municipal recreation and up to 3 percent of the municipality's total land area for conservation, parklands and open space. This provision allows the Borough to reserve vacant and developable properties for active recreation or conservation, thus excluding the site or sites from the Vacant Land Inventory.



The Borough has identified five properties that are designated for active recreational uses. There are currently 58.4 acres of active recreation within the Borough.

ACTIVE RECREATION

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS	
75	4	Park	Borough of Demarest	BB	10.80 ac	5.27 ac	5.53 ac	Wakelee Field
75	3.01	Wakelee Drive	Borough of Demarest	BB	8.70 ac	3.90 ac	4.80 ac	Wakelee Field
75	3	Park	Borough of Demarest	BB	20.90 ac	11.19 ac	9.71 ac	Swim Club
75	2	Park	Borough of Demarest	BB	3.50 ac	3.25 ac	0.25 ac	Wakelee Field
75	1	Park	Borough of Demarest	BB	14.50 ac	7.84 ac	6.66 ac	Wakelee Field
TOTAL					58.40 ac	31.45 ac	26.95 ac	

5. Conservation, Parkland & Open Space

The Borough has identified 27 properties that are designated for conservation, parkland and open space. Demarest contains approximately 136 acres of open space.



BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS	
99	1	County Road	Borough of Demarest	BB	14.60 ac	9.27 ac	5.33 ac	Open Space
98	1	County Road	Borough of Demarest	BB	19.40 ac	15.83 ac	3.57 ac	Nature Center
97.02	5	Hertiage Court	Borough of Demarest	C	3.00 ac	0.27 ac	2.73 ac	Hertiage Court
89	21	Lake Road	Borough of Demarest	C	0.90 ac	0.96 ac	-0.06 ac	Robin Road
88	1	49 Anderson Ave	Borough of Demarest	B	17.30 ac	9.43 ac	7.87 ac	Davies Arboretum
87	4.1	Columbus Road	Borough of Demarest	BB	0.40 ac	0.00 ac	0.40 ac	Nature Center
87	4.06	Madison Ave	Borough of Demarest	BB	1.90 ac	2.57 ac	-0.67 ac	Nature Center
87	3	Columbus Road	Borough of Demarest	BB	24.50 ac	6.07 ac	18.43 ac	Nature Center
87	1.02	Columbus Road	Borough of Demarest	BB	2.03 ac	2.03 ac	0.00 ac	Nature Center
67	9	250 County Rd	Borough of Demarest	B	0.23 ac	0.00 ac	0.23 ac	Fire Park
49	787	Achilies Street	Borough of Demarest	B	1.40 ac	1.08 ac	0.32 ac	Nature Center
48	1	Christie - Achilies	Borough of Demarest	B	3.10 ac	3.10 ac	0.00 ac	Nature Center
47	1	Insley & Christie	Borough of Demarest	B	3.60 ac	3.26 ac	0.34 ac	Nature Center
20	11	Park	Borough of Demarest	B	5.20 ac	2.49 ac	2.71 ac	Duck Pond
19	9	146 Hardenburg Ave	Borough of Demarest	B	2.60 ac	1.17 ac	1.43 ac	Gazebo Area
17.05	7	Lenox Ave	Borough of Demarest	D	0.70 ac	0.33 ac	0.37 ac	Senior Citizen Center
17.04	1.02	20 Park Street	Borough of Demarest	D	0.20 ac	0.00 ac	0.20 ac	Senior Citizen Center
152	16	Carlotte Way	Borough of Demarest	C	0.90 ac	0.05 ac	0.85 ac	Carlotta Way
151	20	Carlotte Way	Borough of Demarest	C	1.70 ac	0.11 ac	1.59 ac	Isabella Way
150	15	Isabella Way	Borough of Demarest	C	0.90 ac	0.13 ac	0.77 ac	Carlotta Way
120	31	Alpine Court	Borough of Demarest	A	9.50 ac	2.40 ac	0.40 ac	Alpine Court
83.01	36	Orchard Road	Borough of Demarest	D	1.15 ac	0.00 ac	1.15 ac	Open Space
83.06	11	Orchard Road	Borough of Demarest	D	1.16 ac	0.00 ac	1.16 ac	Open Space
84	1	Piermont Road	Borough of Demarest	BB	18.26 ac	6.31 ac	11.95 ac	Open Space
66	56	Central Ave	Borough of Demarest	D	0.65 ac	0.00 ac	0.65 ac	Open Space
83.01	67	Central Ave	Borough of Demarest	D	0.40 ac	0.00 ac	0.40 ac	Open Space
86.03	1,2,3,4,5	Orchard Road	Borough of Demarest	C	1.20 ac	0.62 ac	0.58 ac	Open Space
TOTAL					136.88 ac	67.47 ac	62.71 ac	

The Borough contains well over 3% of the total land are in active recreation and conservation, parkland and open space. The Borough cannot request any additional vacant and developable properties to be reserved for park and recreation space and thus excluded from the Vacant Land Adjustment.



VACANT PROPERTIES APPROVED FOR DEVELOPMENT

The following vacant property has been conditionally approved for development by the Borough. The property will be developed with residential units; construction is anticipated to begin in 2009. Even though the property is currently vacant, it is excluded from the Vacant Land Inventory since it has already received approval from the Borough and will shortly be occupied by residential units.

VACANT PROPERTIES APPROVED TO BE DEVELOPED

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS
120	1.05	DUANE LA	FRICK, HENRY C II	A	8.09 ac	0.00 ac	8.09 ac
TOTAL					8.09 ac	0.00 ac	8.09 ac

VACANT LAND INVENTORY CONCLUSION

After excluding vacant properties per the exclusion criteria provided in N.J.A.C. 5:94-5.2(d), there four properties remaining within the Borough that are vacant and developable with 0.84 acres or more. (See Vacant and Developable Lands map). As stated in N.J.A.C. 5:94-5.2(h), the minimum presumptive density for these vacant and developable lands would be 8 units per acre in a PA-1 Planning Area, and the maximum presumptive set-aside would be 20 percent. According to this, the Realistic Development Potential (“RPD”) of the Demarest would be 145 units, of which 29 units could be set-aside as low- and moderate-income housing.

VACANT LAND INVENTORY

BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS
119	1.05	DUANE LA	FRICK, HENRY C II	A	3.04 ac	0.00 ac	3.04 ac
119	1.07	DUANE LA	FRICK, HENRY C II	A	6.46 ac	0.18 ac	6.28 ac
120	1.04	DUANE LA	FRICK, HENRY C II	A	3.59 ac	0.00 ac	3.59 ac
120	1.03	DUANE LA	FRICK, HENRY C II	A	5.24 ac	0.00 ac	5.24 ac
TOTAL					18.33 ac	0.18 ac	18.15 ac



The Borough's Unmet Affordable Housing Need is the pre-credited affordable housing obligation minus credits of affordable units. The Borough is still required to provide a development strategy that would meet its Unmet Affordable Housing Need. The Unmet Need is equal to the Pre-credited Need less the RDP or 66 minus 29, which equals 37 units.

GROWTH PROJECTION ADJUSTMENT

ACTUAL GROWTH

Demarest has to first measure actual residential and non-residential growth from January 1, 2004 to the date of petition using the procedures in N.J.A.C. 5:97-2.5 and then subtract housing units created by actual residential growth from the household projection and jobs generated from actual non-residential growth from the employment projection contained in Appendix F(2) of COAH's amended rules.

Of this total, 14 units were a part of the builder's remedy suit located along Bellaire Drive. Of the 14, 13 market-rate units and 1 affordable unit have been completed and received COs. Under COAH's rules (5:97-2.5) affordable units that received in a court judgment or compliance which were constructed after January 1, 2004 and the market-rate units in an inclusionary development related to those affordable units can be subtracted from the projected residential growth share obligation. The market-rate units cannot be excluded at a rate above 4 times the number of affordable units. Of the 14 total units constructed, 5 can be excluded from the projections. Therefore, actual residential growth between January 1, 2004 and June 30, 2008 is 55 units.

ACTUAL CERTIFICATES OF OCCUPANCY & DEMOLITION

	2004	2005	2006	2007	2008*	Total
COs Issued	5	15	16	20	4	60
Demolitions	19	16	10	9	0	54

Source: "Housing Units Certified" - New Jersey Department of Community Affairs

* Note that 2008 data is from January 1, 2008 - June 30, 2008



Between January 1, 2004 and June 30, 2008 no new non-residential construction has occurred. The chart above shows the lack of growth and therefore a growth of 0 new jobs since 2004.

COAH has allocated growth to the Borough in both housing and employment during the Third Round cycle between 2004 and 2018. Demarest is expected to gain 193 housing units and 142 jobs according to COAH, which are then divided by COAH ratios to determine the affordable housing obligation each will generate. For every housing unit built, one affordable unit must be constructed; therefore the housing allocation is divided by 5. For every 16 new jobs created, one affordable unit must be built, as a result the 142 projected jobs must be divided by 16. The result of both housing and employment is then added together to determine the growth share obligation for Demarest Borough. As the COAH obligation chart shows, Demarest's growth share obligation is 48.

ACTUAL CERTIFICATES OF OCCUPANCY

	2004	2005	2006	2007	Total
Certificates of Occupancy Issued					
A1 - Assembly	0	0	0	0	0
A2 - Assembly	0	0	0	0	0
A3 - Assembly	0	0	0	0	0
A4 - Assembly	0	0	0	0	0
A5 - Assembly	0	0	0	0	0
B - Office	0	0	0	0	0
F - Industrial	0	0	0	0	0
H - High Hazard	0	0	0	0	0
I - Institutional	0	0	0	0	0
M - Retail	0	0	0	0	0
R1 - Dormitory	0	0	0	0	0
S - Storage	0	0	0	0	0
Total New Development	0	0	0	0	0

Source: "Square Feet of Nonresidential Space Reported on Certificates of
<http://www.state.nj.us/dca/codes/cr/conrep.shtml>

DEMAREST BOROUGH: COAH OBLIGATION

Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
4	66*	193 ÷ 5 38.6	142 ÷ 16 8.9	47.5

* Obligation reduced to 23 units by June 2001 Stipulation of Settlement



The next step is to take the actual growth and subtract it from the projections COAH has allocated to Demarest. The actual residential growth from January 1, 2004 to June 30, 2008 is 55; therefore the household projection decreases to 138 units. There was no non-residential growth during this period; therefore the employment projection remains at 142 jobs.

PROPERTIES INCLUDED IN THE GROWTH PROJECTION ADJUSTMENT

After analyzing all the properties in Demarest per the specified criteria provided in COAH's Rules, there are 2.11 upland acres of vacant and developable land within Demarest Borough. These parcels are greater than 0.12 acres and do not need to be merged with adjacent vacant lots in order to meet the minimum acreage. These remaining parcels will be used to calculate the growth projection adjustment for the Third Round obligation.

REMAINING RESIDENTIAL SITES IN INVENTORY

SITE #	BLOCK	LOT	ADDRESS	OWNER	ZONE	AREA	CONSTRAINTS	UPLANDS
1	50	27	Piermont Road	Borough of Demarest	D	0.20 ac	0.02 ac	0.18 ac
2	1.04	12	48 Mountain View Rd	Breslin, Julian & Leslie	D	0.17 ac	0.00 ac	0.17 ac
3	19	1	County Rd	Wiggers, Donald & Gary	B	0.82 ac	0.59 ac	0.23 ac
4	80	4.01	Hardenburgh Ave	Silver, Stephen	C	0.20 ac	0.00 ac	0.20 ac
5	7	459	Columbus Rd	Emerson, Genevah	D	0.18 ac	0.00 ac	0.18 ac
6	23	13	127 Hardenburgh Ave	Adams, Edmond & Richard	D	0.38 ac	0.00 ac	0.38 ac
7	80	4.02	324 Hardenburgh Ave	Vellekamp, Donna	C	0.25 ac	0.00 ac	0.25 ac
8	61	170	Chestnut St	Vanvors, Clifton & Dorothy	B	0.52 ac	0.00 ac	0.52 ac
TOTAL						2.73 ac	0.61 ac	2.11 ac

CONCLUSION

After analyzing all the properties in Demarest per the specified criteria provided in COAH's Rules, there are 2.11 upland acres of vacant and developable lands within Demarest Borough. As stated in N.J.A.C. 5:97-5.6(e)3, the minimum presumptive density for these vacant and developable lands is 8 units per acre.



REMAINING RESIDENTIAL SITES IN INVENTORY

BLOCK	LOT	ADDRESS	OWNER	ZONE	UPLANDS		DENSITY		HOUSES
50	27	Piermont Road	Borough of Demarest	D	0.18 ac	x	8 du/ac	=	1.4
1.04	12	48 Mountain View Rd	Breslin, Julian & Leslie	D	0.17 ac	x	8 du/ac	=	1.4
19	1	County Rd	Wiggers, Donald & Gary	B	0.23 ac	x	8 du/ac	=	1.8
80	4.01	Hardenburgh Ave	Silver, Stephen	C	0.20 ac	x	8 du/ac	=	1.6
7	459	Columbus Rd	Emerson, Genevah	D	0.18 ac	x	8 du/ac	=	1.4
23	13	127 Hardenburgh Ave	Adams, Edmond & Richard	D	0.38 ac	x	8 du/ac	=	3.0
80	4.02	324 Hardenburgh Ave	Vellekamp, Donna	C	0.25 ac	x	8 du/ac	=	2.0
61	170	Chestnut St	Vanvors, Clifton & Dorthy	B	0.52 ac	x	8 du/ac	=	4.2
TOTAL					2.11 ac				16.9

These adjusted housing and employment growth projections shall be added back to the actual growth calculated on page 7, which was 55 units for residential and 0 jobs for non-residential. The result is 72 (55+17) housing units and 0 (0 actual growth and 0 remaining non-residentially zoned properties) jobs, which is less than COAH's growth projections of 193 housing units and 142 jobs shown in Appendix F(2). The rules state that if the result is less than the growth projections by greater than 10% (for housing the result would have to be 174 units or less and for jobs the result must be less than 128 jobs); then projections utilized for the purpose of projecting the growth share obligation can be adjusted downward.



ADJUSTMENT PROCESS RESULTS

	HOUSING	EMPLOYMENT
COAH Growth Share Projection & Obligation	193	142
COAH Ratio	÷ 5	÷ 16
COAH Growth Share Projection	38.6	8.875
Total COAH Growth Share Projection		47.5
COAH Projection	193	142
Actual Growth	-54	0
Remaining Projection	139	142
Actual Growth	55	0
VLA Based Adjusted Projections	17	0
Adjusted Projection Result	72	0
COAH Ratio	÷ 5	÷ 16
Affordable Units Projected	14.4	0.0
Total Adjusted Growth Share Projection		14.4

In addition to the actual growth and adjusted growth based on the Vacant Land study, pending development must be included that was not accounted for in the two studies. The Frick property, which was excluded from the Vacant Land study, will include 4 new housing units and the Alpine Country Club development will yield 9 additional market-rate units that cannot be excluded from the growth share per COAH's rules. These 13 units must be added to the 72 housing units projected for the Third Round. As for non-residential; Alpine Country Club is in the process of constructing a new facility to replace the building they demolished in 2005. The net growth will be an additional 33.6 new jobs from the new facility once it receives a certificate of occupancy.

This then results in an adjusted projection result of 85 housing units and 33.6 jobs. Dividing these projections by their respective COAH ratios produces an adjusted growth share projection of 19.1 affordable housing units.



ADJUSTMENT PROCESS RESULTS

	HOUSING	EMPLOYMENT
COAH Growth Share Projection & Obligation	193	142
COAH Ratio	÷ 5	÷ 16
COAH Growth Share Projection	38.6	8.875
Total COAH Growth Share Projection		47.5
COAH Projection	193	142
Actual Growth	-54	0
Remaining Projection	139	142
Actual Growth	54	0
VLA Based Adjusted Projections	17	0
Pending Development	14	33.6
Adjusted Projection Result	85	33.6
COAH Ratio	÷ 5	÷ 16
Affordable Units Projected	17.0	2.1
Total Adjusted Growth Share Projection		19.1

The exhibit below illustrates the adjusted COAH obligation Demarest will address in its Housing Plan and Fair Share Element, based on the Stipulation of Settlement and a growth projection adjustment.

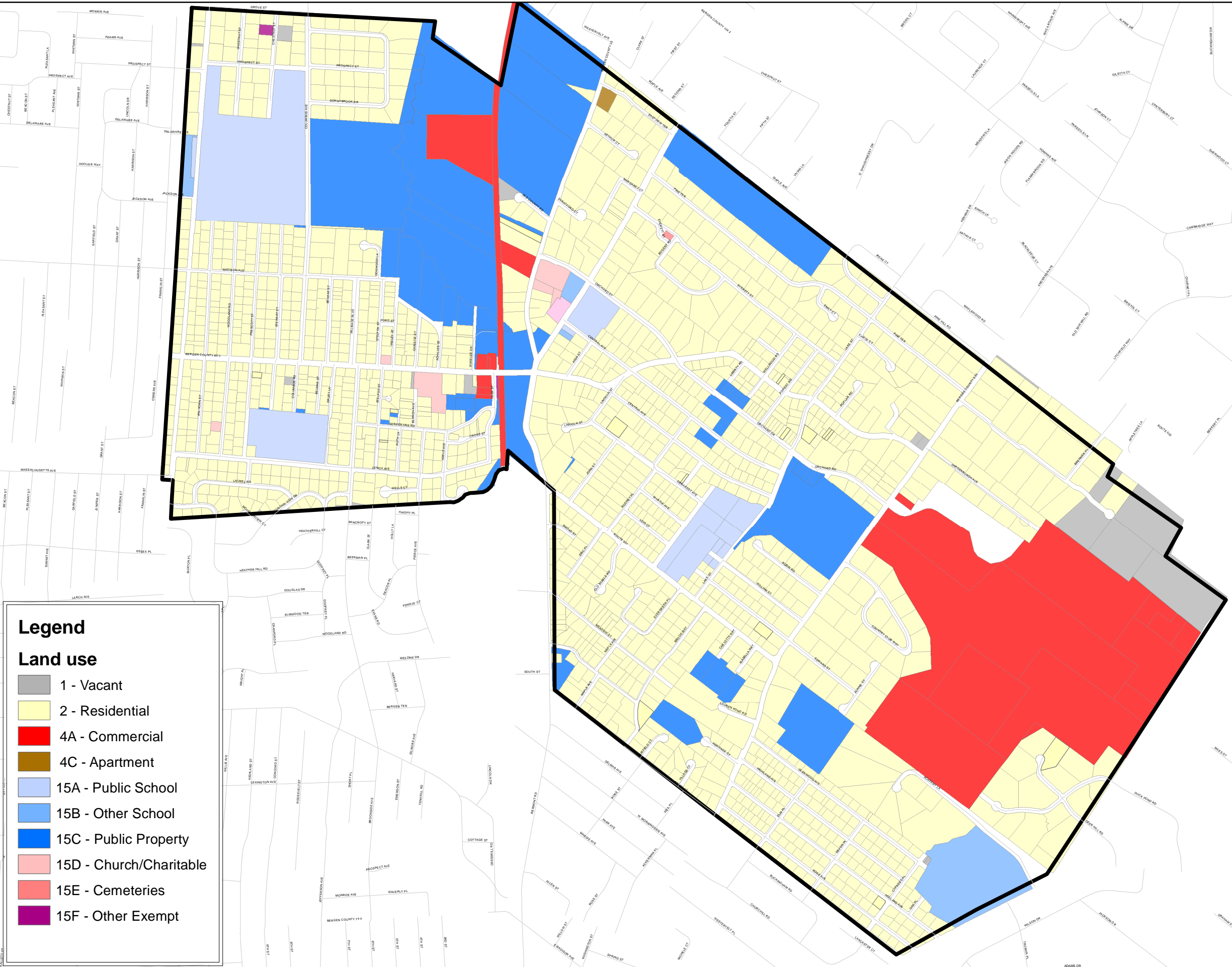
DEMAREST BOROUGH: ADJUSTED COAH OBLIGATION

Rehabilitation	Prior Round	Housing Allocation	Employment Allocation	Growth Share
4	23 RDP	85 ÷ 5 17	33.6 ÷ 16 2.1	19.1

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Legend

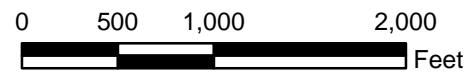
Land use

- 1 - Vacant
- 2 - Residential
- 4A - Commercial
- 4C - Apartment
- 15A - Public School
- 15B - Other School
- 15C - Public Property
- 15D - Church/Charitable
- 15E - Cemeteries
- 15F - Other Exempt

LAND USE

BOROUGH OF DEMAREST
BERGEN COUNTY,
NEW JERSEY

SEPTEMBER 2008



1 inch equals 1,000 feet

THIS MAP WAS DEVELOPED USING NJ DEP
DIGITAL DATA. THIS SECONDARY PRODUCT
HAS NOT BEEN VERIFIED AND IS NOT
COUNTY OR STATE AUTHORIZED.



**LAND USE
AND
CONSTRAINTS**

**BOROUGH OF DEMAREST
BERGEN COUNTY,
NEW JERSEY**

SEPTEMBER 2008



0 500 1,000 2,000
Feet

1 inch equals 1,000 feet

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Legend

- Slope Contours
- Wetlands
- berstrm

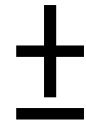
Land use

- 1 - Vacant
- 2 - Residential
- 4A - Commercial
- 4C - Apartment
- 15A - Public School
- 15B - Other School
- 15C - Public Property
- 15D - Church/Charitable
- 15E - Cemeteries
- 15F - Other Exempt

VACANT LANDS CONTRIBUTING TO THE COAH OBLIGATION

BOROUGH OF DEMAREST
BERGEN COUNTY,
NEW JERSEY

SEPTEMBER 2008



0 500 1,000 2,000
Feet

1 inch equals 1,000 feet

Legend

- Vacant Land Parcels
- Growth Share Adjustment Parcels
- Municipality Boundary
- Parcels

THIS MAP WAS DEVELOPED USING NJ DEP
DIGITAL DATA. THIS SECONDARY PRODUCT
HAS NOT BEEN VERIFIED AND IS NOT
COUNTY OR STATE AUTHORIZED.



ORDAM Project Number (ORDAM #)

Location: Bergen

Urgency:

2000-2018

СВЯТЫЙ ПЕТР И ПАВЛ

[illegible]

Verifications by 18 2444 Code Office will be made before code and numbers are put for HTS Harmonized Code as the Harmonized System and not for use in other ways.

Verified by Municipal Building Director, all amounts are income taxable, but appropriate for a credit under section 1315(b)(1).

08/03/2011

LEGAL PRINCIPLES

11/11/2019 11:21:11 AM

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ALL LIENS ARE HELD ON HOMES TILL HOMES ARE SOLD

AN ORDINANCE TO AMEND SECTION §175-34. “DEVELOPMENT FEES FOR AFFORDABLE HOUSING” OF THE BOROUGH OF DEMAREST, COUNTY OF BERGEN, STATE OF NEW JERSEY

WHEREAS, §175-34 shall be amended by deleting the existing text and replacing it with the text below to include revisions mandated by the Council on Affordable housing that address the requirements regarding compliance with the municipality’s prior round and third round affordable housing obligations;

NOW, THEREFORE IT BE ORDAINED, by the Mayor and Common Council of the Borough of Demarest, in the County of Bergen that Section §175-34 shall read as follows:

A. Purpose

- a) In Holmdel Builder’s Association V. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing’s (COAH’s) adoption of rules.
- b) Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- c) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH’s regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH’s rules on development fees, codified at N.J.A.C. 5:97-8.

B. Basic requirements

- a) This ordinance shall not be effective until approved by COAH pursuant to *N.J.A.C. 5:96-5.1*.
- b) Borough of Demarest shall not spend development fees until COAH has approved a plan for spending such fees in conformance with *N.J.A.C. 5:97-8.10* and *N.J.A.C. 5:96-5.3*.

C. Definitions

- a) The following terms, as used in this ordinance, shall have the following meanings:
 - i. **“Affordable housing development”** means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.
 - ii. **“COAH”** or the **“Council”** means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.
 - iii. **“Development fee”** means money paid by a developer for the improvement of property as permitted in *N.J.A.C. 5:97-8.3*.
 - iv. **“Developer”** means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
 - v. **“Equalized assessed value”** means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
 - vi. **“Green building strategies”** means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

D. Residential Development fees

- a) Imposed fees
 - i. Within all residential district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and a half percent percent of the equalized assessed value for residential development provided no increased density is permitted.
 - ii. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a “d” variance) has been permitted, developers may be required to pay a development fee of six percent percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one and a half percent of the equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

- b) Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
 - iii. Developers of residential structures demolished and replaced as a result of a natural disaster shall be exempt from paying a development fee.
 - iv. Within any "Inclusionary Development" containing the construction of "low" and "moderate" income affordable housing units the residential developers shall be exempt from paying a development fee.

E. Non-residential Development fees

- a) Imposed fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - ii. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the

pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

- b) Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
 - ii. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
 - iii. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF “State of New Jersey Non-Residential Development Certification/Exemption” Form. Any exemption claimed by a developer shall be substantiated by that developer.
 - iv. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
 - v. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by Borough of Demarest as a lien against the real property of the owner.

F. Collection procedures

- a) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- b) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF “State of New Jersey Non-Residential Development Certification/Exemption” to be completed as per the instructions provided. The Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the

Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

- c) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- d) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- f) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g) Should Borough of Demarest fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- h) Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.
- i) Appeal of development fees
 - 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by Borough of Demarest. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 - 2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by Borough of Demarest. Appeals from a determination of the Director may be made to the tax court in accordance

with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

G. Affordable Housing trust fund

- a) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the chief financial officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- b) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - 1. Payments in lieu of on-site construction of affordable units;
 - 2. Developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
 - 3. Rental income from municipally operated units;
 - 4. Repayments from affordable housing program loans;
 - 5. Recapture funds;
 - 6. Proceeds from the sale of affordable units; and
 - 7. Any other funds collected in connection with Borough of Demarest's affordable housing program.
- c) Within seven days from the opening of the trust fund account, Borough of Demarest shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, the bank and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
- d) All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

H. Use of funds

- a) The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the housing trust fund may be used for any activity approved by COAH to address the Borough of Demarest's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for

implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.

- b) Funds shall not be expended to reimburse Borough of Demarest for past housing activities.
- c) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 - ii. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income.
 - iii. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- d) Borough of Demarest may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- e) No more than 20 percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

I. Monitoring

- a) Borough of Demarest shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees

from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Borough of Demarest's housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH. All monitoring reports shall be completed on forms designed by COAH.

J. Ongoing collection of fees

- a) The ability for Borough of Demarest to impose, collect and expend development fees shall expire with its substantive certification unless Borough of Demarest has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for substantive certification, and has received COAH's approval of its development fee ordinance. If Borough of Demarest fails to renew its ability to impose and collect development fees prior to the expiration of substantive certification, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). Borough of Demarest shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall Borough of Demarest retroactively impose a development fee on such a development. Borough of Demarest shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

Introduced:

Adopted:

James Carroll, Mayor

Attest:

Susan Crosman, Municipal Clerk

**DEMAREST BOROUGH
DRAFT AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

INTRODUCTION

Demarest Borough, Bergen County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by the Court on September 27, 2001 and adopted by the municipality on August 2001. The ordinance establishes the Borough of Demarest affordable housing trust fund for which this spending plan is prepared.

As of July 17, 2008, Borough of Demarest has collected \$317,117.41, expended \$937.50, resulting in a balance of \$316,179.91. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Valley National Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

Borough of Demarest was sued for exclusionary practices before it could petitioned COAH for substantive certification in 2001 and received prior approval to maintain an affordable housing trust fund on September 27, 2001 from the Court. As of December 31, 2004, the prior round balance remaining in the affordable housing trust fund was \$0. From January 1, 2005 through July 17, 2008, Borough of Demarest collected an additional \$317,117.41 in development fees, payments in lieu of construction, other funds, and/or interest. From January 1, 2005 through July 17, 2008, Borough of Demarest expended \$937.50 funds on the affordable housing activities detailed in section 4 of this spending plan.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, Borough of Demarest considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

No payments in lieu have been collected, but an outstanding payment in lieu of \$125,000 from Alpine has yet to be paid at this time.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. At the present time no other funds are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund was calculated at a rate of 1.83%. This rate was applied to the funds anticipated to be collected during the duration of the third round.

FUNDS ANTICIPATED BY YEAR												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Projected Development	\$0	\$0	\$34,540	\$51,810	\$34,540	\$34,540	\$34,540	\$17,270	\$34,540	\$17,270	\$17,270	\$276,318
Payment In Lieu	\$0	\$0	\$35,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
Interest	\$0	\$0	\$632	\$948	\$632	\$632	\$632	\$316	\$632	\$316	\$316	\$5,057
Total	\$0	\$0	\$70,172	\$97,758	\$80,172	\$35,172	\$35,172	\$17,586	\$35,172	\$17,586	\$17,586	\$406,375

Borough of Demarest projects a total of \$281,375 in revenue to be collected between now and December 31, 2018 including interest. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Borough of Demarest:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Borough of Demarest's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Administration forwards a resolution to the Governing Body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution.

The release of the funds requires the adoption of the governing body resolution in accordance with the COAH-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

The rehabilitation obligation will be satisfied by a municipally-sponsored program and utilization of the existing County program. In addition, funds will be contributed to the municipally-sponsored/100% affordable development at 127 Hardenburg Avenue. The project will be a rental apartment complex of eight units for low- and moderate-income households. The Borough will dedicate a maximum of \$180,000 to rehabilitation or new construction programs as follows:

Rehabilitation program: Maximum \$30,000

New construction project(s): Maximum \$150,000

(b) **Affordability Assistance (N.J.A.C. 5:97-8.8)**

Borough of Demarest will spend a minimum of 30 percent of its development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30 percent of the regional median income).

Projected minimum affordability assistance requirement:

SPENDING PLAN CALCULATIONS SUMMARY

Existing Balance (as of November 24, 2008)	=	\$346,619
Development Fees projected from November 24, 2008 - 2018	+	\$276,318
Payment-in-Lieu	+	\$125,000
Interest projected from November 24, 2008 - 2018	+	\$5,057
TOTAL PROJECTED REVENUE	=	\$752,994
Affordability Assistance (minimum of 30% of above total)	-	\$225,898
<i>To very low income households (minimum 1/3 of above allotment)</i>		<i>\$75,299</i>
REMAINING FUNDS FOR OTHER HOUSING ACTIVITY	=	\$527,096

Borough of Demarest will dedicate \$225,898 from the affordable housing trust fund to render units more affordable, including \$75,299 to render units more affordable to households earning 30 percent or less of median income by region, using programs such as, rental assistance and converting low-income units to very low-income units, etc..

(c) Administrative Expenses (N.J.A.C. 5:97-8.9)

Borough of Demarest projects that a maximum of \$60,000 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

1. Consulting fees and planning and legal fees for administration and implementation of Borough of Demarest's affordable housing program(s).
2. Salaries and benefits for municipal employees for administration and implementation of the housing plan and program(s).

(d) Accessory Apartment Program (N.J.A.C. 5:97-8.7)

Demarest projects that a maximum of \$125,000 will be utilized for the creation of affordable accessory apartments within the Borough.

(e) Market to Affordable Program (N.J.A.C. 5:97-8.7)

The Borough of Demarest will dedicate a maximum of \$90,000 from the affordable housing trust fund to convert existing market rate rental apartments to affordable apartments with 30 year deed restrictions.

(f) Supportive/Special Needs Housing (N.J.A.C. 5:97-8.7)

Demarest will dedicate a maximum of \$72,096 from the Affordable Housing Trust Fund to encourage and assist group home providers in constructing new facilities within the Borough's borders.

4. EXPENDITURE SCHEDULE

Borough of Demarest intends to potentially use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows. The chart lists the various programs and projects that Demarest may embark on during the third round period. Each program/project is given a minimum or maximum amount that may be spent during the 11 year time frame and the years where money may be spent. Demarest would like this flexibility so that if in the future an opportunity arises that would be advantageous to the affordable housing program, the municipality would have the freedom to aid the opportunity with this type of flexible expenditure schedule. Additionally, this flexibility is important if the development fee funds that have been forecasted fail to occur and limit Demarest's spending ability.

EXPENDITURE SCHEDULE BY YEAR													
Program	# units	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Affordability Assistance	?												\$225,898 minimum
Administration	?												\$60,000 maximum
Rehabilitation	3												\$30,000 maximum
Municipally-Sponsored/100%	8												\$150,000 maximum
Accessory Apartment Program	5												\$125,000 maximum
Market to Affordable Program	3												\$90,000 maximum
Supportive/Special Needs Housing	4												\$72,096 maximum
TOTAL													\$752,994

The Expenditure Schedule does total to more than the development fees projected because all but one of the programs are "maximum" spending amounts.

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of Borough of Demarest has adopted a resolution agreeing to fund any shortfall of funds required for implementing the potential municipal rehabilitation, accessory apartment and market to affordable programs. In the event that a shortfall of anticipated revenues occurs, Borough of Demarest will handle the shortfall of funds with a resolution of intent to bond.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund the housing activities described above.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Borough of Demarest's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5, located in Chapter 175-35, Section 4(b), of the Zoning Ordinance.

SUMMARY

Borough of Demarest intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated December 9, 2008.

Borough of Demarest has a balance of \$316,179.91 as of November 24, 2008 and anticipates an additional \$406,375 in revenues before the expiration of substantive certification for a total of \$752,994. The municipality will dedicate a minimum of \$225,898 towards affordability assistance to render units more affordable, a maximum of \$60,000 for administrative costs, a maximum of \$30,000 for rehabilitation of substandard units, a maximum of \$90,000 for a Market to Affordable Program, a maximum of \$125,000 for an Accessory Apartment Program, a maximum of \$72,096 for group home funding and a maximum of \$150,000 for a Municipally-Sponsored/100% project.

Any shortfall of funds will be offset by the municipality's intent to bond. The municipality will dedicate any excess funds toward the aforementioned programs.

SPENDING PLAN CALCULATIONS SUMMARY

Existing Balance (as of November 24, 2008)	=	\$346,619
Development Fees projected from November 24, 2008 - 2018	+	\$276,318
Payment-in-Lieu	+	\$125,000
Interest projected from November 24, 2008 - 2018	+	\$5,057
TOTAL PROJECTED REVENUE	=	\$752,994
Affordability Assistance (minimum of 30% of above total)	-	\$225,898 minimum
<i>To very low income households (minimum 1/3 of above allotment)</i>		\$75,299 minimum
REMAINING FUNDS FOR OTHER HOUSING ACTIVITY	=	\$527,096
Administration (maximum 20% of remainder)	-	\$60,000 maximum
Rehabilitation Program		\$30,000 maximum
Accessory Apartment Program	-	\$125,000 maximum
Market to Affordable Program	-	\$90,000 maximum
Group Home Funding	-	\$72,096 maximum
Municipally-Sponsored/100% Affordable Project Funding	-	\$150,000 maximum
BALANCE	=	\$0

AN ORDINANCE OF BOROUGH OF DEMAREST TO ADDRESS THE REQUIREMENTS OF THE COUNCIL ON AFFORDABLE HOUSING (COAH) REGARDING COMPLIANCE WITH THE MUNICIPALITY'S PRIOR ROUND AND THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS

AN ORDINANCE TO AMEND CHAPTER 145, ARTICLE 5 "AFFORDABLE HOUSING REGULATIONS" OF THE BOROUGH OF HIGH BRIDGE, COUNTY OF HUNTERDON, STATE OF NEW JERSEY

WHEREAS, Chapter 175-35 shall be added to the Zoning Code with the text below to include revisions mandated by the Council on Affordable housing that address the requirements regarding compliance with the municipality's prior round and third round affordable housing obligations;

NOW, THEREFORE IT BE ORDAINED, by the Mayor and Common Council of the Borough of Demarest, in the County of Bergen that Chapter 175-35 shall read as follows:

Section 1. Affordable Housing Obligation

- (a) This Ordinance is intended to assure that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.
- (b) The Borough of Demarest Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan has been endorsed by the governing body. The Fair Share Plan describes the ways Borough of Demarest shall address its fair share for low- and moderate-income housing as determined by the Council on Affordable Housing (COAH) and documented in the Housing Element.
- (c) This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:97, as may be amended and supplemented.
- (d) The Borough of Demarest shall file monitoring reports with COAH in accordance with N.J.A.C. 5:96, tracking the status of the implementation of the Housing Element and Fair Share Plan. Any plan evaluation report of the Housing Element and Fair Share Plan and monitoring prepared by COAH in accordance with N.J.A.C. 5:96 shall be available to the public at the Borough of Demarest Municipal Building, Municipal Clerk's Office, 118 Serpentine Road, Demarest, New Jersey, or from COAH at 101 South Broad Street, Trenton, New Jersey and on COAH's website, www.nj.gov/dca/affiliates/coah.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

“Accessory apartment” means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

“Act” means the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.)

“Adaptable” means constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

“Administrative agent” means the entity responsible for the administration of affordable units in accordance with this ordinance, N.J.A.C. 5:96, N.J.A.C. 5:97 and N.J.A.C. 5:80-26.1 et seq.

“Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

“Affordability average” means the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

“Affordable” means, a sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

“Affordable housing program(s)” means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable housing trust fund.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).

“Age-restricted unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Assisted living residence” means a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).

“DCA” means the State of New Jersey Department of Community Affairs.

“Deficient housing unit” means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

“Developer” means any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

“Inclusionary development” means a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

“Low-income household” means a household with a total gross annual household income equal to 50 percent or less of the median household income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell or rent at any price.

“Median income” means the median income by household size for the applicable county, as adopted annually by COAH.

“Moderate-income household” means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“Non-exempt sale” means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary and the transfer of ownership by court order.

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by COAH’s adopted Regional Income Limits published annually by COAH.

“Rehabilitation” means the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHROP or MONI.

“UHAC” means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

“Very low-income household” means a household with a total gross annual household income equal to 30 percent or less of the median household income.

“Very low-income unit” means a restricted unit that is affordable to a very low-income household.

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

Section 3. Affordable Housing Programs

The Borough of Demarest has determined that it will use the following mechanisms to satisfy its affordable housing obligations:

(a) A Rehabilitation program.

1. The Borough of Demarest will first utilize the County of Bergen’s Home Rehabilitation Program, which provides loans for repairs to qualified households.

The program provides loans up to \$17,500 for a single family home at a rate of 3%. A lien is placed on the home until it is sold. The contact is the Bergen County Division of Community Development, which can be contacted at 201.336.7200. If the outstanding units cannot be completed through the County, then Demarest will create its own rehabilitation program.

2. Borough of Demarest's rehabilitation program shall be designed to renovate deficient housing units occupied by low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.
3. Both owner occupied and renter occupied units shall be eligible for rehabilitation funds.
4. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.
5. The Borough of Demarest shall dedicate a minimum of \$10,000 for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.
6. The Borough of Demarest shall adopt a resolution committing to fund any shortfall in the rehabilitation programs for the Borough of Demarest.
7. The Borough of Demarest shall designate, subject to the approval of COAH, one or more Administrative Agents to administer the rehabilitation program in accordance with N.J.A.C. 5:96 and N.J.A.C. 5:97. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the governing body and subject to approval of COAH. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
8. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and Uniform Housing Affordability Controls (UHAC), but shall be administered in accordance with the following:
 - i. If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate-income household at an affordable rent and affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC.
 - ii. If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

- iv. Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, except that households in owner occupied units shall be exempt from the regional asset limit.

(b) An Accessory Apartment program.

1. All accessory apartments shall meet the following conditions:
 - i. Accessory apartments are permitted by the Zoning Ordinance for various zoning districts, provided the units are affordable to low- and moderate-income households. Accessory apartments may be developed as low-income or moderate-income units (accessory apartments may be limited to only low- or only moderate-income units as determined in the Fair Share Plan).
 - ii. Accessory apartments shall comply with all applicable statutes and regulations of the State of New Jersey in addition to all building codes.
 - iii. At the time of initial occupancy of the unit and for at least ten years thereafter, the accessory apartment shall be rented only to a household which is either a low- or moderate-income household.
 - iv. Rents of accessory apartments shall be affordable to low- or moderate-income households as per COAH and UHAC regulations.
 - v. There shall be a recorded deed or declaration of covenants and restrictions applied to the property upon which the accessory apartment is located running with the land and limiting its subsequent rental or sale of the unit and the accessory apartment.
 - vi. The appropriate utility authority must certify that there is water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartment. Where the proposed location is served by an individual well and/or septic system, the additional capacity necessitated by the new unit must meet the appropriate NJDEP standards.
 - vii. The Borough of Demarest accessory apartment program shall not restrict the number of bedrooms in any accessory apartment.
 - viii. No accessory apartment created as a result of this article or these regulations shall exceed the gross floor area of the existing principal dwelling on the lot.
2. The maximum number of creditable accessory apartments shall be equal to no more than 10 or an amount equal to 10 percent of the Borough of Demarest's fair share obligation, whichever is greater (additional units may be approved by COAH if the municipality has demonstrated successful completion of its accessory apartment program.).
3. Borough of Demarest shall designate an administrative entity to administer the accessory apartment program that shall have the following responsibilities:
 - i. The Administrative Agent shall administer the accessory apartment program, including advertising, income qualifying prospective renters, setting rents and annual rent increases, maintaining a waiting list, distributing the subsidy,

securing certificates of occupancy, qualifying properties, handling application forms, filing deed restrictions and monitoring reports and affirmatively marketing the affordable accessory apartment program in accordance with the UHAC.

- ii. The administrative entity shall only deny an application for an accessory apartment if the project is not in conformance with COAH's requirements and/or the provisions of this section/article. All denials shall be in writing with the reasons clearly stated.
 - iii. In accordance with COAH requirements, Borough of Demarest shall provide at least \$25,000 per unit to subsidize the creation of each low-income accessory apartment or \$20,000 per unit to subsidize the creation of each moderate-income accessory apartment. Subsidy may be used to fund actual construction costs and/or to provide compensation for reduced rental rates.
4. Property owners wishing to apply to create an accessory apartment shall submit to the administrative entity:
- i. A sketch of floor plan(s) showing the location, size and relationship of both the accessory apartment and the primary dwelling within the building or in another structure;
 - ii. Rough elevations showing the modifications of any exterior building façade to which changes are proposed; and
 - iii. A site development sketch showing the location of the existing dwelling and other existing buildings; all property lines; proposed addition, if any, along with the minimum building setback lines; the required parking spaces for both dwelling units; and any man-made conditions which might affect construction.

(c) A Market to Affordable program.

1. A market to affordable program is established to permit the purchase or subsidization of units through a written agreement with the property owner and sold or rented to low- and moderate-income households. Subject to the provisions of 2iii below, the market to affordable programs may produce both low- and moderate-income units (the program may be limited to only low- or only moderate-income units as per the Fair Share Plan).
2. The following provisions shall apply to market to affordable programs:
 - i. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
 - ii. The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
 - iii. The municipality will provide a minimum of \$25,000 per unit to subsidize each moderate-income unit and/or \$30,000 per unit to subsidize the each low-income unit, with additional subsidy depending on the market prices or rents in a municipality.

- iv. The maximum number of creditable market to affordable units shall be equal to no more than 10 for sale units and 10 rental units or a combined total of 10 percent of the fair share obligation, whichever is greater. (Additional units may be approved by COAH if the municipality demonstrates the successful completion of its initial market to affordable program.)
- 3. The units shall comply with N.J.A.C. 5:97-9 and UHAC with the following exceptions:
 - i. Bedroom distribution (N.J.A.C. 5:80-26.3(b) and (c));
 - ii. Low/moderate income split (N.J.A.C. 5:80-26.3(a)); and
 - iii. Affordability average (N.J.A.C. 5:80-26.3(d) and (e)); however:
 - A. The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - B. The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.

(d) Supportive/Special Needs

- 1. The following provisions shall apply to group homes, residential health care facilities and supportive shared living housing:
 - i. The unit of the credit shall be the bedroom.
 - ii. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted.
 - iii. Occupancy shall not be restricted to youth under 18 years of age.
 - iv. All sites shall meet the site suitability criteria set forth in N.J.A.C. 5:97-3.13.
- 2. The bedrooms and/or units pursuant to (1) above shall comply with N.J.A.C. 5:97-9 and UHAC with the following exceptions:
 - i. Affirmative marketing plan; however, group homes residential health care facilities and supportive shared living housing shall be affirmatively marketed to individuals with special needs in accordance with a plan approved by the Council's Executive Director;
 - ii. Affordability average and bedroom distribution; and
 - iii. With the exception of units established with capital funding through a 20 year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, and supportive shared living housing shall have the appropriate controls on affordability.

(e) **Municipally-Sponsored/100% Affordable Developments**

1. Municipally-sponsored and 100% affordable developments include, but are not limited to:
 - i. Developments in which all units are available to low- and moderate-income households;
 - ii. Units created through a municipal partnership with a non-profit or other affordable housing provider; and
 - iii. Developments for which the municipality serves as the primary sponsor.
2. The following provisions shall apply to municipally-sponsored and 100% affordable developments:
 - i. All sites shall meet the site suitability criteria set forth in N.J.A.C. 5:97-3.13.
 - ii. The municipality or developer/sponsor shall have control or the ability to control the site(s).
 - iii. The construction schedule shall provide for the construction to begin within two years of substantive certification or in accordance with the municipality's implementation schedule.
 - iv. The first floor of all townhouse dwellings units and of all other multi-story dwelling units must comply with N.J.A.C. 5:97-3.14.

Section 4. New Construction

The following general guidelines apply to all newly constructed developments that contain low- and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.

(a) **Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:**

1. The fair share obligation shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.
2. In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.
3. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - i. The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;
 - ii. At least 30 percent of all low- and moderate-income units shall be two bedroom units;

- iii. At least 20 percent of all low- and moderate-income units shall be three bedroom units; and
 - iv. The remaining units may be allocated among two and three bedroom units at the discretion of the developer.
 - 4. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.
- (b) Accessibility Requirements:
- 1. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.
 - 2. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
 - i. An adaptable toilet and bathing facility on the first floor;
 - ii. An adaptable kitchen on the first floor;
 - iii. An interior accessible route of travel on the first floor;
 - iv. An interior accessible route of travel shall not be required between stories within an individual unit;
 - v. An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
 - vi. An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, or evidence that the Borough of Demarest has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:
 - A. Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - B. To this end, the builder of restricted units shall deposit funds within the Borough of Demarest's affordable housing trust fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
 - C. The funds deposited under paragraph B. above shall be used by the Borough of Demarest for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with

a disability who occupies or intends to occupy the unit and requires an accessible entrance.

- D. The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the Borough of Demarest.
- E. Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the Borough of Demarest's affordable housing trust fund in care of the Municipal Treasurer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.
- F. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

(c) Maximum Rents and Sales Prices

- 1. In establishing rents and sales prices of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC and in COAH, utilizing the regional income limits established by COAH.
- 2. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.
- 3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.
 - i. At least 10 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 30 percent of median income.
- 4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.
- 5. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:
 - i. A studio shall be affordable to a one-person household;

- ii. A one-bedroom unit shall be affordable to a one and one-half person household;
 - iii. A two-bedroom unit shall be affordable to a three-person household;
 - iv. A three-bedroom unit shall be affordable to a four and one-half person household; and
 - v. A four-bedroom unit shall be affordable to a six-person household.
6. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be used:
- i. A studio shall be affordable to a one-person household;
 - ii. A one-bedroom unit shall be affordable to a one and one-half person household; and
 - iii. A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
7. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
8. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
9. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
10. The rent of low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.
11. **Utilities.** Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

Section 5. Affirmative Marketing Requirements

- (a) Borough of Demarest shall adopt by resolution an Affirmative Marketing Plan, subject to approval of COAH, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
- (b) The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 1 and covers the period of deed restriction.
- (c) The Administrative Agent designated by the Borough of Demarest shall assure the affirmative marketing of all affordable units consistent with the Affirmative Marketing Plan for the municipality.
- (d) In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- (e) The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
- (f) The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by Borough of Demarest.

Section 6. Occupancy Standards

- (a) In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - 1. Provide an occupant for each bedroom;
 - 2. Provide children of different sex with separate bedrooms; and
 - 3. Prevent more than two persons from occupying a single bedroom.
- (b) Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

Section 7. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

- (a) Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance until the Borough of Demarest elects to release the unit from such requirements however, and prior to such an election, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.
- (b) The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- (c) Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the administrative agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value.
- (d) At the time of the first sale of the unit, the purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the requirements of this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
- (e) The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
- (f) A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 8. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

- (a) The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
- (b) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
- (c) The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.

- (d) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

Section 9. Buyer Income Eligibility

- (a) Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's certified monthly income.

Section 10. Limitations on indebtedness secured by ownership unit; subordination

- (a) Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
- (b) With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C.5:80-26.6(b).

Section 11. Control Periods for Restricted Rental Units

- (a) Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance until the Borough of Demarest elects to release the unit from such requirements pursuant to action taken in compliance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, and prior to such an election, a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.
- (b) Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Bergen. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.

- (c) A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:
 - 1. Sublease or assignment of the lease of the unit;
 - 2. Sale or other voluntary transfer of the ownership of the unit; or
 - 3. The entry and enforcement of any judgment of foreclosure.

Section 12. Price Restrictions for Rental Units; Leases

- (a) A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
- (b) No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- (c) Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 13. Tenant Income Eligibility

- (a) Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - 1. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.
 - 2. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.
 - 3. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.
- (b) The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - 1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;

2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 3. The household is currently in substandard or overcrowded living conditions;
 4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 5. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- (c) The applicant shall file documentation sufficient to establish the existence of the circumstances in (b)1 through 5 above with the Administrative Agent, who shall counsel the household on budgeting.

Section 14. Administration

- (a) The position of Municipal Housing Liaison (MHL) for Borough of Demarest is established by this ordinance. The Borough Council shall make the actual appointment of the MHL by means of a resolution.
1. The MHL must be either a full-time or part-time employee of Borough of Demarest.
 2. The person appointed as the MHL must be reported to COAH for approval.
 3. The MHL must meet all COAH requirements for qualifications, including initial and periodic training.
 4. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Borough of Demarest, including the following responsibilities which may not be contracted out to the Administrative Agent:
 - i. Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 - ii. The implementation of the Affirmative Marketing Plan and affordability controls.
 - iii. When applicable, supervising any contracting Administrative Agent.
 - iv. Monitoring the status of all restricted units in the Borough of Demarest's Fair Share Plan;
 - v. Compiling, verifying and submitting annual reports as required by COAH;
 - vi. Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 - vii. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.

- (b) The Borough of Demarest shall designate by resolution of the Borough Council, subject to the approval of COAH, one or more Administrative Agents to administer newly constructed affordable units in accordance with N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC.
- (c) An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of COAH. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
- (d) The Administrative Agent shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manual, including those set forth in N.J.A.C. 5:80-26.14, 16 and 18 thereof, which includes:
 - 1. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH;
 - 2. Affirmative Marketing;
 - 2. Household Certification;
 - 3. Affordability Controls;
 - 4. Records retention;
 - 5. Resale and re-rental;
 - 6. Processing requests from unit owners; and
 - 7. Enforcement, though the ultimate responsibility for retaining controls on the units rests with the municipality.
 - 8. The Administrative Agent shall have authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

Section 15. Enforcement of Affordable Housing Regulations

- (a) Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- (b) After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - 1. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision

of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:

- i. A fine of not more than \$1,000 or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - ii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Borough of Demarest Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
 2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
- (c) Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
- (d) The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

- (e) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
- (f) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
- (g) Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- (h) The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

Section 16. Appeals

Appeals from all decisions of an Administrative Agent designated pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This ordinance shall take effect upon passage and publication as provided by law.

Introduced:

Adopted:

James Carroll, Mayor

Attest:

Susan Crosman, Municipal Clerk

**BOROUGH OF DEMAREST
DRAFT AFFIRMATIVE MARKETING PLAN**

Section __ - __. Affirmative Marketing Plan.

- A. Purpose. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of sex, age or number of children, to housing units which are being marketed by a developer/sponsor, municipality and/or designated administrative agency of affordable housing. Demarest's plan will address the requirements of N.J.A.C. 5:80-26.15. In addition, the plan prohibits discrimination in the sale, rental, financing or other services related to housing on the basis of race, color, sex, religion, disability, age, familial status/size, sexual orientation or national origin.
- B. Affirmative marketing plan. The Borough of Demarest is in the housing region consisting of Bergen, Hudson, Passaic and Sussex Counties. The affirmative marketing program is a continuing program and will meet the following requirements:
1. Advertising and posting information.
 - (a) All newspaper articles, announcements and requests for applications for low- and moderate-income units will appear in the following daily and/or weekly regional newspaper/publication:
 - (1) Bergen Record
 - (2) Press Journal
- C. The primary marketing will take the form of at least one press release sent to the above publications and a paid display advertisement in each of the above newspapers. Additional advertising and publicity will be on an "as needed" basis.
1. The advertisement will include a description of the:
 - (a) Street address of units;
 - (b) Direction to housing units;
 - (c) Number of bedrooms per unit;
 - (d) Range of prices/rents;
 - (e) Size of units;
 - (f) Income information; and
 - (g) Location of applications including business hours and where/how applications may be obtained.
 2. All newspaper articles, announcements and requests for applications for low and moderate income housing will appear in the following neighborhood-oriented mediums. In addition, local religious publications and organizational newsletters within the region will also be requested to assist in the effort.

- (a) Borough website
 - (b) Packet Publications
- D. The following is the location of where applications, brochure(s), signs(s) and/or poster(s) used as part of the affirmative marketing program including specific employment centers within the region of Bergen, Hudson, Passaic and Sussex Counties will be displayed:
 - 1. Demarest Municipal Building
 - 2. Bergen County Library Headquarters
 - 3. Developer's sales office
 - 4. Major employers in the region
- E. The following is a listing of community organizations in Bergen, Hudson, Passaic and Sussex Counties, that will aid in the affirmative marketing program on an "as needed" basis, with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region:
 - 1. Catholic Social Services
 - 2. American Red Cross
 - 3. Center for Family Services
- F. Quarterly flyers and applications will be sent to each of the following agencies on an "as needed" basis for publication in their journals and for circulation among their members:
 - 1. Board of Realtors in Bergen, Hudson, Passaic and Sussex Counties
 - 2. Catholic Social Services
 - 3. American Red Cross
 - 4. Center for Family Services
- G. Mailing applications. Applications will be mailed to prospective applicants upon request. Additionally, while openings or waiting lists are being developed, and potential applicants solicited, quarterly informational circulars and applications will be sent to the chief administrative employees of each of the following agencies in Bergen, Hudson, Passaic and Sussex Counties:
 - 1. Welfare or Social Service Boards
 - 2. Office on Aging for the Counties
 - 3. Warren County Administrative Services Building
- H. Selection process. The Borough, through an agent to be appointed ("the Borough's housing agent"), shall be responsible for implementing and conducting the selection process that will be used to select occupants of the low- and moderate-income housing. Following is a description of the random selection method that will be used to select occupants of low- and moderate-income housing.
 - 1. After advertising is implemented, applications are accepted for 60 days.
 - 2. All applications are reviewed and households are either certified or informed of non-eligibility. (The certification is valid for 180 days and may be renewed up updating income verification information.)

3. Eligible households are placed in applicant pools based upon the number of bedrooms needed.
 4. When a unit is available only the certified household in need of that type of unit are selected for a lottery.
 5. Households are informed of date, time and location of the lottery and invited to attend.
 6. After the lottery is concluded, the first household selected is given 10 days to express interest or disinterest in the unit. (If the first household does not accept the unit the process continues until a certified household selects the unit.)
- I. The Borough is ultimately responsible for administering the affirmative marketing program. The Borough's housing agent, in administering the affirmative marketing program, shall have the responsibility to:
1. Income qualify low- and moderate-income households;
 2. Place income eligible households in low- and moderate-income units upon initial occupancy;
 3. Provide for the initial occupancy of low- and moderate-income units with income qualified households;
 4. Continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls;
 5. Assist with advertising and outreach to low- and moderate-income households; and
 6. Enforce the terms of the deed restriction and mortgage loan as per N.J.A.C. 5:80-26.1 et seq.
- J. The Borough's housing agent will also coordinate and provide linkage to low- and moderate-income applicants to receive counseling on subjects such as budgeting, credit issues, mortgage qualification, responsibilities of homeownership, rental lease requirements, and landlord/tenant law. The Borough's housing agent will develop the waiting list and select applicants for the qualification process on a first come first served basis. The superintendent of planning within the Borough is the designated housing officer to act as liaison to the responsible developer(s) and the Borough's housing agent.
- K. Households who live or work in the COAH-established housing region may be given preference for sales and rental units constructed within that housing region.
- L. Applicants living outside the housing region will have an equal opportunity for units after regional applicants have been initially serviced. The Borough of Demarest intends to comply with all UHAC regulations, N.J.A.C. 5:80-26.1 et. seq.; and
- M. All developers of low- and moderate-income housing units will be required to assist the Borough's housing agent in the marketing of the affordable units in their respective developments.
- N. Commencement of marketing plan. The marketing program will commence at least 120-days before the issuance of either temporary or permanent certificates of occupancy. The marketing program will continue until all low- and moderate-income housing units are initially occupied and for as long as affordable units are deed restricted and occupancy or re-occupancy of units continues to be necessary. The responsible developer(s) will assist the Borough's housing agent in complying with monitoring and reporting requirements as per N.J.A.C. 5:96-11.